

Mr. ROBINSON. Yes; I move that the Senate take a recess until 11 o'clock to-morrow morning.

Mr. SMOOT. Let me ask the Senator from Arkansas to move that the Senate adjourn. I make that request for this reason: This morning we began at 11 o'clock after having recessed from the night before, and I am quite sure that there has been more time taken up by Senators coming in at any time of the day and asking permission to introduce this resolution and that bill and this report than if we had had a morning hour and had the whole of them presented at once. The request is not for the purpose of delay. It is only in the interest of an orderly way of conducting the business of the Senate, and to save time. I believe that we save time every time we adjourn, unless there is some matter as to which we all agree that there shall be no introduction of bills or any other business while it is under consideration. I will ask the Senator from Montana if his experience has not been exactly the same?

Mr. WALSH. Mr. President, I wish I could agree with the Senator from Utah about that matter, but I can not. My experience is quite the reverse. The morning business is taken up. Various matters are disposed of. Bills are introduced, and some Senator wants to make a speech explaining his bill. Another presents a petition; he has something to say in connection with the petition, and, of course, he wants to have it go out to his constituents. Two hours are easily consumed in this way in the morning. When it is desired for any purpose at all to expedite a bill the consideration of which has been long delayed, it is the uniform practice of the Senate—recently, at least—to recess from day to day so that it will be taken up and gotten out of the way.

I am sincerely hopeful that to-morrow morning we shall be able to agree by unanimous consent to vote on this measure; and I shall ask to-morrow morning, on the convening of the Senate, unanimous consent to vote on this measure not later than 4 o'clock on Saturday afternoon. That leaves two days still for debate on the bill.

Mr. SHAFROTH. Mr. President, does not the Senator realize that whenever you fix a time for a vote, nothing whatever is said on the bill until the very morning and the very hour when the time is set for the vote? Take the prohibition bill. Because a great debate was going to occur on it it was set off for 10 or 15 days, and yet not one word was said on it until the very morning of the day when the vote was to be taken.

We want a discussion of these matters, because we believe that if the people understand them they will vote with us, and for that reason we want to hear the discussion. I do not believe I have consumed one minute of time that was not occupied directly in the discussion of the bill.

Mr. SMOOT. Mr. President—

The PRESIDING OFFICER. The Senator from Arkansas [Mr. ROBINSON] has the floor.

Mr. SMOOT. I simply wish to say to the Senator that I will withdraw my request.

Mr. ROBINSON. Mr. President, I will say to the Senator from Montana that if possible I should like to have an adjournment. A number of Senators have expressed to me a desire to introduce bills and resolutions. Some of us do not insist upon breaking into the orderly procedure here to introduce bills and resolutions; but if the Senator from Montana, who is in charge of the bill, prefers to move to take a recess, I shall yield to him for the purpose of doing so.

Mr. JONES. It will take a quorum to take a recess. I shall not object to adjourning until 11 o'clock.

Mr. JAMES. We can recess by unanimous consent.

Mr. FALL. Mr. President, I should like to suggest to the Senator from Montana that if he makes the request which he has indicated he would make, he will have possibly a day's debate on the question as to whether he can get unanimous consent, not on the bill at all but on the question of granting unanimous consent. He is just laying out a day's work for himself to-morrow.

Mr. WALSH. That would be interesting. If it is the purpose of the Senator from New Mexico at this stage of the public business, with all the important legislation that is before us, to take that course, the sooner we learn about it the better, perhaps, it will be.

Mr. FALL. The Senator from Montana must not misunderstand the Senator from New Mexico.

Mr. WALSH. Under what circumstances, permit me to inquire, would the Senator from New Mexico expect to debate for a day the question as to whether we could have unanimous consent to vote?

Mr. FALL. I should like to ask the Senator how many unanimous-consent agreements he has seen adopted in the Senate

until after hours of debate on some question concerning the unanimous-consent agreement? That is what I had reference to.

I want to say to the Senator that, so far as the Senator from New Mexico is concerned, there will not be one moment of filibustering against this bill. I am one man who is opposed to this bill who will vote on it at any time, even without discussing it.

Mr. WALSH. The Senator from New Mexico gave me that assurance on yesterday, and so I was surprised to hear the Senator suggest in the Senate here that there will be a day's debate upon a simple request for a unanimous-consent agreement.

Mr. FALL. Mr. President, in view of the statement of the Senator from New Mexico to the Senator from Montana, the Senator from Montana was not justified in making even the suggestion that the Senator from New Mexico proposed to filibuster on this bill.

Mr. WALSH. I take the judgment of the Senator from New Mexico upon the matter, then, and say that I was not justified.

Mr. FALL. Merely from my experience in the Senate, which has been similar to that of the Senator from Montana, I say that whenever a question of unanimous consent on a matter of this kind is suggested there will be a day's debate, or hours of debate, on the unanimous-consent agreement, entirely aside from the question at issue. I now give notice, Mr. President, that to-morrow morning I shall address the Senate on the pending measure; and, further than that, I am going to object to laying aside the unfinished business now for taking up anything else.

Mr. ROBINSON. What is the wish of the Senator from Montana?

Mr. WALSH. I shall be glad to defer to the wish of the Senator from Arkansas.

Mr. ROBINSON. I move that the Senate adjourn.

The motion was agreed to; and (at 9 o'clock and 55 minutes p. m., Thursday, February 1, 1917) the Senate adjourned until to-morrow, Friday, February 2, 1917, at 11 o'clock a. m.

HOUSE OF REPRESENTATIVES.

THURSDAY, February 1, 1917.

The House met at 11 o'clock a. m.

The Chaplain, Rev. Henry N. Couden, D. D., offered the following prayer:

O Thou, who art able to heal our moral and spiritual infirmities and to impart strength for the daily duties of life, inspire us with wisdom, courage, and fortitude to meet the changing conditions as they unfold themselves hour by hour; that we may be profitable servants unto Thee and unto the people here represented on the floor of this House; that with brave and manly hearts we may stand to our convictions with minds ever open to higher and larger conceptions through Him who was the embodiment of truth, justice, mercy, and righteousness, and who died a martyr to His convictions. Amen.

The Journal of the proceedings of yesterday was read and approved.

EULOGIES OF THE LATE SENATOR CLARKE, OF ARKANSAS.

Mr. OLDFIELD. Mr. Speaker, I ask unanimous consent that Sunday, February 18, 1917, be set aside for addresses upon the life and character and public services of the Hon. J. P. CLARKE, late a Senator from the State of Arkansas.

The SPEAKER. The gentleman from Arkansas asks unanimous consent that Sunday, the 18th of February, be set aside for the purpose of delivering speeches on the life and character of the late Senator CLARKE, of Arkansas. Is there objection?

There was no objection.

EXTENSION OF REMARKS.

Mr. MURRAY rose.

The SPEAKER. For what purpose does the gentleman from Oklahoma rise?

Mr. MURRAY. I desire to ask unanimous consent to extend my remarks in the RECORD on the amendment I have introduced providing for a cumulative electoral and suffrage system.

The SPEAKER. The gentleman from Oklahoma asks unanimous consent to extend his remarks in the RECORD on the subject of a constitutional amendment which he has introduced looking to cumulative voting. Is there objection?

There was no objection.

MESSAGE FROM THE SENATE.

A message from the Senate, by Mr. Waldorf, its enrolling clerk, announced that the Senate had passed bills of the following titles, in which the concurrence of the House of Representatives was requested:

S. 8090. An act granting the consent of Congress to Washington-Newport News Short Line, a corporation, to construct a bridge across the Potomac River; and

S. 7963. An act to prohibit the manufacture or sale of alcoholic liquors in the Territory of Alaska, and for other purposes.

BRIDGE ACROSS THE POTOMAC RIVER.

Mr. ADAMSON. Mr. Speaker, there is a Senate bill on the Speaker's table and an identical measure on the Calendar of the House, reported from the Committee on Interstate and Foreign Commerce. I ask the Speaker to lay the Senate bill before the House.

The SPEAKER. The Chair lays the bill before the House. The Clerk will report it.

The Clerk read as follows:

A bill (S. 8090) granting the consent of Congress to Washington-Newport News Short Line, a corporation, to construct a bridge across the Potomac River.

Be it enacted, etc., That the consent of Congress is hereby granted to the Washington-Newport News Short Line, a corporation chartered under the laws of the State of Virginia, with principal place of business in the city of Newport News, State of Virginia, and its successors and assigns, to construct, maintain, and operate a bridge and approaches thereto across the Potomac River at a point suitable to the interests of navigation, at or near Riverside, in the county of Charles, in the State of Maryland, in accordance with the provisions of the act entitled "An act to regulate the construction of bridges over navigable waters," approved March 23, 1906.

SEC. 2. That the right to alter, amend, or repeal this act is hereby expressly reserved.

Mr. MANN. Mr. Speaker, would the gentleman from Georgia yield for a moment?

Mr. ADAMSON. Certainly.

Mr. MANN. Is there any bridge over the Potomac now south of Washington?

Mr. ADAMSON. There is not.

Mr. MANN. Of course, the Potomac River, I suppose, up to that point is used more or less by the war vessels of the Government. Is the gentleman sure that, in approving the plan, the War Department will be able to protect all the interests of the Government?

Mr. ADAMSON. The committee has that assurance, Mr. Speaker. I will say in response to the gentleman. As he knows, there are other rivers similarly situated in the United States on which bridges have been permitted, and the general bridge law, which the gentleman himself drew, authorizes the War Department to protect the interests of the Government.

I will further state that the War Department has knowledge of the bridge that the railroad is ready to construct, and has made a preliminary investigation of the matter, and the department is satisfied that it can protect the interests of navigation. I will state, further, that this section of Virginia, as you all know, is cut off from all communication with the Capital except by a line of steamships, and you have to make a detour in getting to and from that region. The country thereabouts needs development and needs transportation.

Mr. MANN. This is to construct a short line across the Potomac River and to come into Washington on the north side of the Potomac?

Mr. ADAMSON. It comes up on the west side until it reaches this bridge, and then it comes up on the east side.

Mr. STAFFORD. Mr. Speaker, will the gentleman yield?

Mr. ADAMSON. Yes.

Mr. STAFFORD. How far below Washington is it proposed to erect this bridge?

Mr. ADAMSON. My information is that it is from 25 to 30 miles.

Mr. STAFFORD. In crossing rather large navigable waters the modern, up-to-date policy is, instead of erecting a bridge that may interfere with navigation, to construct a tunnel. For instance, in Detroit the Michigan Central has constructed a tunnel, and in New York it is the same way. I would like to direct this inquiry to the gentleman: Whether it is possible, by reason of the depth of water, to construct a tunnel at some convenient point down there?

Mr. ADAMSON. I have heard two suggestions made about this bridge. One is that it will be constructed so high that it will not obstruct navigation, and the other is that it can be provided with a draw. But the War Department has satisfied itself that it can build the bridge without obstructing navigation. I am informed by the gentleman from Virginia [Mr. Jones] that the Navy Department also holds to that opinion.

Mr. STAFFORD. It ought to be, in any event, constructed so as not to interfere with the navigability of the stream.

Mr. ADAMSON. I am advised that the plans will not interfere with the movement of war vessels. The matter has had the attention of the Navy as well as that of the War Department.

The SPEAKER. The question is on the third reading of the Senate bill.

The Senate bill was ordered to be read a third time, was read the third time, and passed.

On motion of Mr. ADAMSON, a motion to reconsider the vote whereby the bill was passed was laid on the table.

On motion of Mr. ADAMSON, the House bill (H. R. 20534) of similar import was laid on the table.

PERMITS FOR INAUGURAL CEREMONIES.

Mr. CLARK of Florida. Mr. Speaker, I ask unanimous consent to call up for present consideration House joint resolution 358.

The SPEAKER. The Clerk will report it.

The Clerk read the title, as follows:

Joint resolution (H. J. Res. 358) authorizing the granting of permits to the committee on inaugural ceremonies on the occasion of the inauguration of the President elect on March 4, 1917, etc.

The SPEAKER. Is there objection to the present consideration of the House joint resolution?

There was no objection.

The SPEAKER. The Clerk will report the joint resolution.

Mr. CLARK of Florida. Mr. Speaker, I ask unanimous consent that the joint resolution may be considered in the House as in Committee of the Whole.

The SPEAKER. The gentleman from Florida asks unanimous consent that the House joint resolution be considered in the House as in Committee of the Whole. Is there objection?

There was no objection.

The SPEAKER. The Clerk will report the joint resolution. The Clerk read as follows:

Resolved, etc., That the Secretary of War is hereby authorized to grant permits, under such restrictions as he may deem necessary, to the committee on inaugural ceremonies for the use of any reservations or other public spaces in the city of Washington under his control on the occasion of the inauguration of the President elect on the 4th day of March, 1917: *Provided,* That in his opinion no serious or permanent injuries will be thereby inflicted upon such reservations or public spaces or statutory thereon; and the Commissioners of the District of Columbia may designate for such and other purposes on the occasion aforesaid such streets, avenues, and sidewalks in said city of Washington under their control as they may deem proper and necessary: *Provided, however,* That all stands or platforms that may be erected on the public spaces aforesaid, including such as may be erected in connection with the display of fireworks, shall be under the supervision of the said inaugural committee and in accordance with the plans and designs to be approved by the Engineer Commissioner of the District of Columbia, the officer in charge of public buildings and grounds, and the Superintendent of the United States Capitol Building and Grounds: *And provided further,* That the reservations or public spaces occupied by the stands or other structures shall be promptly restored to their original condition before such occupation and that the inaugural committee shall indemnify the War Department for any damage of any kind whatsoever upon such reservations or spaces by reason of such use.

SEC. 2. That the Commissioners of the District of Columbia are hereby authorized to permit the committee on illumination of the inaugural committee for the inaugural ceremonies, March, 1917, to stretch suitable overhead conductors, with sufficient supports wherever necessary and in the nearest practicable connection with the present supply of light, for the purpose of effecting the said illumination: *Provided,* That if it shall be necessary to erect wires for illuminating or other purposes over any park or reservation in the District of Columbia, the work of erection and removal of said wires shall be under the supervision of the official in charge of said park or reservation: *Provided further,* That the said conductors shall not be used for the conveying of electrical currents after March 8, 1917, and shall, with their supports, be fully and entirely removed from the streets and avenues of the said city of Washington on or before March 15, 1917: *And provided further,* That the stretching and removing of the said wires shall be under the supervision of the Commissioners of the District of Columbia, who shall see that the provisions of this resolution are enforced, that all needful precautions are taken for the protection of the public, and that the pavement of any street, avenue, or alley disturbed is replaced in as good condition as before entering upon the work herein authorized: *And provided further,* That no expense or damage on account of or due to the stretching, operation, or removing of the said temporary overhead conductors shall be incurred by the United States or the District of Columbia.

SEC. 3. That the Secretary of War and the Secretary of the Navy be, and they are hereby, authorized to loan to the committee on inaugural ceremonies such ensigns, flags, etc., belonging to the Government of the United States (except battle flags) that are not now in use and may be suitable and proper for decoration, and may, in their judgment, be spared without detriment to the public service, such flags to be used in connection with said ceremonies by said committee, under such regulations and restrictions as may be prescribed by the said Secretaries, or either of them, in decorating the fronts of public buildings and other places on the line of march between the Capitol and the Executive Mansion and the interior of the reception hall: *Provided,* That the loan of the said ensigns, flags, signal numbers, etc., to said committee shall not take place prior to the 24th day of February, and they shall be returned by the 10th day of March, 1917: *Provided further,* That the said committee shall indemnify the said departments, or either of them, for any loss or damage to such flags not necessarily incident to such use. That the Secretary of War is hereby authorized to loan to the inaugural committee for the purpose of caring for the sick, injured, and infirm on the occasion of the inauguration of the President of the United States, March 4, 1917, such hospital tents and camp appliances and other necessities, hospital furniture and utensils of all descriptions, ambulances, horses, drivers, stretchers, and Red Cross flags and poles belonging to the Government of the United States as in his judgment may be spared and are not in use by the Government at the time of the inauguration: *And provided further,* That the inaugural committee shall indemnify the War Department for any loss or damage to such hospital tents and appliances, as aforesaid, not necessarily incident to such use: *And provided further,* That the said inaugural committee

shall give bond, with security satisfactory to the Secretary of War, to do the same.

Sec. 4. That the Commissioners of the District of Columbia be, and they are hereby, authorized to permit the Western Union Telegraph Co. and the Postal Telegraph Co. to extend overhead wires to such points along the line of parade as shall be deemed by the chief marshal convenient for use in connection with the parade and other inaugural purposes, the said wires to be taken down within 10 days after the conclusion of the ceremonies on the 4th day of March, 1917.

Sec. 5. That the Superintendent of the United States Capitol Building and Grounds is hereby authorized to permit the inaugural committee to use, for the temporary quartering of troops participating in said inauguration, so much of the United States courthouse, in Judiciary Square, in the city of Washington, as in his judgment is available for such use: *Provided*, That the inaugural committee shall indemnify the United States for any damage of any kind whatsoever to said courthouse by reason of such use.

With the following committee amendments:

Page 1, line 8, strike out the words "on the fourth day of" and insert in lieu thereof the word "in."

The amendment was agreed to.

Page 2, line 16, after the word "their," strike out the word "original."

The amendment was agreed to.

Page 2, line 22, after the word "for," strike out the word "the" and insert the word "said."

The amendment was agreed to.

Page 2, line 23, strike out the words "March, 1917."

The amendment was agreed to.

Page 4, line 21, after the word "of," strike out the word "the" and insert in lieu thereof the word "said."

The amendment was agreed to.

Page 4, line 22, strike out the words "March 4, 1917."

The amendment was agreed to.

Page 5, line 17, after the word "ceremonies," insert a period.

Mr. MANN. There is no such amendment as that in the printed bill. That amendment does not go in there.

The Clerk read as follows:

Page 5, line 18, strike out the words "on the 4th day of March, 1917."

The amendment was agreed to.

Mr. MANN. Mr. Speaker, I notice that there is no date fixed for the inaugural ceremonies. When are they to occur? Will the gentleman state that as a matter of information?

Mr. CLARK of Florida. The committee understood they were to occur on March 5.

Mr. MANN. Has there been any other instance in the history of the Government where the inauguration occurred on March 5? I have not examined to see.

Mr. CLARK of Florida. I do not know.

Mr. BARNHART. If the gentleman will permit me to answer, I notice by the newspaper reports that there have been other instances, and that in each instance the President took the oath both on Sunday and on the day following.

Mr. CLARK of Florida. This joint resolution is with reference to the inaugural ceremonies.

Mr. BARNHART. I know; but the date March 4 was stricken out for the purpose of making it clear that this would apply to the inauguration, whether held on March 4 or March 5.

Mr. MANN. The inaugural exercises will take place, as I learn from the gentleman, on March 5. I apprehend that there will be no practical hiatus in the office of the President, whether he is sworn in on March 4 or on March 5. There are always a few minutes after the theoretical end of March 3, at noon on March 4, before the President is sworn in, anyhow.

Mr. BARNHART. The gentleman from Illinois will agree with me, I think, that inasmuch as we have an extraordinary President he ought to be sworn in on both the 4th and 5th this time, so as to make sure that we get him.

Mr. MANN. I will admit that swearing him every day of the year will not make him observe fully his duties of office, or preserve the rights of the Congress, as far as that is concerned.

The SPEAKER. The question is on the engrossment and third reading of the joint resolution.

The joint resolution was ordered to be engrossed and read a third time, and was accordingly read the third time and passed.

By unanimous consent the title of the joint resolution was amended by striking out after the word "elect" the words "on March 4," and inserting in lieu thereof the words "in March."

On motion of Mr. CLARK of Florida, a motion to reconsider the vote by which the joint resolution was passed was laid on the table.

MAINTENANCE OF PUBLIC ORDER DURING THE INAUGURAL CEREMONIES.

Mr. PAGE of North Carolina. Mr. Speaker, I ask unanimous consent to take from the Speaker's table Senate joint resolution 203, to provide for the maintenance of public order and the

protection of life and property in connection with the presidential inaugural ceremonies in 1917.

The SPEAKER. The Chair lays the joint resolution before the House. The Clerk will report it.

The Clerk read as follows:

Resolved, etc., That \$35,000, or so much thereof as may be necessary, payable from any money in the Treasury not otherwise appropriated and from the revenues of the District of Columbia in equal parts, is hereby appropriated to enable the Commissioners of the District of Columbia to maintain public order and protect life and property in said District from the 28th of February to the 10th of March, 1917, both inclusive, including the employment of personal services, payment of allowances, traveling expenses, hire of means of transportation, and other incidental expenses in the discretion of the commissioners. Said commissioners are hereby authorized and directed to make all reasonable regulations necessary to secure such preservation of public order and protection of life and property and fixing fares by public conveyance, and to make special regulations respecting the standing, movements, and operating of vehicles of whatever character or kind during said period and fixing fares to be charged for the use of the same. Such regulations shall be in force one week prior to said inauguration, during said inauguration, and one week subsequent thereto, and shall be published in one or more of the daily newspapers published in the District of Columbia, and in such other manner as the commissioners may deem best to acquaint the public with the same; and no penalty prescribed for the violation of any of such regulations shall be enforced until five days after such publication. Any person violating any of such regulations shall be liable for each such offense to a fine not to exceed \$100 in the police court of said District, and in default of payment thereof to imprisonment in the workhouse of said District for not longer than 60 days. And the sum of \$5,000, or so much thereof as may be necessary, is hereby likewise appropriated, to be expended by the Commissioners of the District of Columbia for the construction, rent, maintenance, and expenses incident to the operation of temporary public-comfort stations, first-aid stations, and information booths during the period aforesaid, including the employment of personal services.

The SPEAKER. Is there objection?

Mr. MANN. Reserving the right to object, I have not seen this resolution, and I do not think it has been printed as it passed the Senate. What is the difference between this resolution and the resolution passed four years ago?

Mr. PAGE of North Carolina. It is identical, with the exception of the amount appropriated; and it is my purpose to move to amend this resolution to make it accord in the amount appropriated with the resolution passed four years ago.

Mr. MANN. This carries now \$40,000.

Mr. PAGE of North Carolina. This carries now \$40,000. I propose to move to amend it so as to make it \$25,000, which was the amount carried in the resolution four years ago and in the resolution eight years ago for this identical purpose.

Mr. GARNER. Reserving the right to object, does the gentleman hope to retain in the joint resolution the amount carried four years ago and eight years ago instead of what is now carried in the resolution?

Mr. PAGE of North Carolina. I certainly do. I see no reason why it should not be retained.

The SPEAKER. Is there objection?

There was no objection.

The SPEAKER. This is on the Union Calendar.

Mr. PAGE of North Carolina. I ask unanimous consent that it be considered in the House as in Committee of the Whole.

The SPEAKER. The gentleman from North Carolina asks unanimous consent to consider this joint resolution in the House as in Committee of the Whole. Is there objection?

There was no objection.

Mr. PAGE of North Carolina. Mr. Speaker, this resolution as it comes from the Senate is identical in verbiage with resolutions passed for this purpose on former occasions, and, as I have just indicated, in reply to the interrogation of the gentleman from Illinois [Mr. MANN], the only difference is in the amount that it undertakes to appropriate. I find upon investigation that for the last two inaugurations, both in 1908 and in 1912, the same amount was appropriated for that purpose, and at the proper time I shall move to amend the joint resolution so as to make it conform to the amount appropriated in the past.

The SPEAKER. The gentleman can offer the amendment now.

Mr. PAGE of North Carolina. Mr. Speaker, in line 3, on page 1, I move to strike out "\$35,000" and insert in lieu thereof "\$23,000."

The SPEAKER. The gentleman from North Carolina offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amend, on page 1, line 3, by striking out "\$35,000" and inserting in lieu thereof "\$23,000."

The amendment was agreed to.

Mr. PAGE of North Carolina. Mr. Speaker, I move to amend, on page 2, line 22, by striking out "five thousand" and inserting "two thousand."

The SPEAKER. The Clerk will report the amendment.

The Clerk read as follows:

Amend, page 2, line 22, by striking out "five thousand" and inserting "two thousand."

Mr. RUCKER of Missouri rose.

The SPEAKER. For what purpose does the gentleman from Missouri rise?

Mr. RUCKER of Missouri. I want to discuss this and another matter for five minutes.

The SPEAKER. The gentleman is recognized for five minutes.

Mr. RUCKER of Missouri. Mr. Speaker, I avail myself of this opportunity to make a statement in response to many inquiries I am receiving every day. They relate to the distribution of tickets to the inaugural platform in front of the Capitol. Let me say very briefly that four years ago I think we secured the largest allotment of tickets for distribution for the membership of the House that had ever been received. We then had seven tickets for each Member—two tickets for each Member elect—to the platform, plus one to the Senate gallery, making eight tickets to each Member. This year, through the persuasiveness and fidelity of my associates on your committee, we have been able to do a little better for the House. [Applause.] This year, for the first time, we have allotted tickets to both of the great national committees, Republican and Democratic, in equal numbers. We allot 10 tickets extra to the Speaker, and for the first time we have made an allotment of 10 extra tickets to the majority leader and 10 extra tickets to the minority leader of the House.

After having made these allotments, I think I am safe in saying to the membership that we will have for distribution 9 tickets to the platform for each Member, plus 1 to the Senate gallery, making 10 as against 8 four years ago.

Members elect—that is, Members who are elected to the next Congress and who are not Members of the current Congress, four years ago received two tickets, but this year we will be able to give them three tickets.

Now, if there is any gentleman who desires to ask me a question I will try to answer it; otherwise I have completed my statement.

Mr. MANN. Mr. Speaker, I would like to ask the gentleman a question for information, but not in regard to tickets. I believe the practice is for the Senate to meet and swear in the Vice President and then proceed to the platform outside, where the President takes the oath of office. My recollection is that the House has remained in session until noon of March 4, and then proceeded as a body to the Senate. But this year the House will not be in session on the morning of March 5. Is it the intention of the committee to provide that the Members of the House shall meet in the Hall of the House by noon on March 5 and march in a body to the Senate, as has been done hitherto, but always when we were, in fact, in session?

Mr. RUCKER of Missouri. I will say to the gentleman that matter has not been particularly discussed by the committee, although in a general way it is the understanding of the committee that the House, on somebody's suggestion, will convene in the Hall of the House between 11 and 12 o'clock on March 5, and move from here in a body to the Senate.

Mr. MANN. I think it would be very desirable for the House to meet informally on Monday, March 5, and at the proper time proceed to the Senate. Of course, there will be no organization and no Speaker.

Mr. RUCKER of Missouri. That suggestion will be made to the House, and it is hoped that the House will respond to it generously and unanimously.

The SPEAKER. The question is on the amendment offered by the gentleman from North Carolina [Mr. PAGE].

The amendment was considered and agreed to.

The Senate joint resolution was ordered to be read a third time, was read the third time, and passed.

On motion of Mr. PAGE of North Carolina, a motion to reconsider the vote whereby the joint resolution was passed, was laid on the table.

INDIAN APPROPRIATION BILL.

Mr. STEPHENS of Texas. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the Indian appropriation bill, disagree to all the Senate amendments, and ask for a conference.

Mr. MANN. I have not seen a copy of the bill printed with the Senate amendments.

Mr. STEPHENS of Texas. I have it here.

Mr. MANN. I have not been able to get one, and I wish the gentleman would let it go over until we have an opportunity to see it.

Mr. STEPHENS of Texas. I am willing for it to go over.

Mr. MANN. We could not get a copy yesterday, and I have not had a copy this morning.

Mr. STEPHENS of Texas. Mr. Speaker, I withdraw my request for the present.

MINORITY VIEWS ON THE NAVAL BILL (H. REPT. 1392, PT. 2).

Mr. PADGETT. Mr. Speaker, Tuesday afternoon leave was granted for the filing of minority views upon the naval appropriation bill (H. R. 20632), during yesterday. They were not filed, and a request has been made that they be filed to-day. I make the request that the minority may have to-day to file minority views on the naval appropriation bill.

The SPEAKER. The gentleman from Tennessee asks unanimous consent that the minority members of the Naval Committee have to-day to file minority views on the naval appropriation bill. Is there objection?

There was no objection.

THE REVENUE BILL.

Mr. KITCHIN. Mr. Speaker, I move that the House resolve itself into Committee of the Whole House on the state of the Union for the further consideration of the revenue bill; and pending that I ask unanimous consent that all general debate be concluded in 25 minutes.

The SPEAKER. The gentleman from North Carolina moves that the House resolve itself into Committee of the Whole House on the state of the Union for the further consideration of the revenue bill, and, pending that, asks unanimous consent that general debate close in 25 minutes. Is there objection?

There was no objection.

The motion of Mr. KITCHIN was then agreed to.

Accordingly the House resolved itself into Committee of the Whole House on the state of the Union, with Mr. SHERLEY in the chair.

The CHAIRMAN. The House is now in Committee of the Whole House on the state of the Union for the further consideration of the bill of which the Clerk will read the title.

The Clerk read as follows:

A bill (H. R. 20573) to provide increased revenue to defray the expenses of the increased appropriations for the Army and Navy and the extensions of fortifications, and for other purposes.

Mr. KITCHIN. Mr. Chairman, in concluding this debate I trust that the House will permit me to express profound regret that many statements on both sides of the aisle have been made in this discussion that ought not to have been made. There never was a time in the history of our Republic, when at this moment the 10,000 wires that stretch the earth are flashing the anxiety of the American people over the grave and I may say tragic situation that confronts them, that patriotism demanded more emphatically than now the conquering of every sectional prejudice and the dissipation of every sectional thought. [Applause.] It is no time, my countrymen, for crimination and recrimination. It is incumbent on every American citizen who loves his country, be he Republican or Democrat, to forget that there ever was a difference between the sections of this country. [Applause.]

It is the duty of every patriotic Representative in this Chamber, be he Democrat or Republican, to frown down upon any statement coming from either side or from any source that will tend in the slightest degree to rekindle sectional animosity. [Applause.] It is incumbent upon every American citizen who loves his country, and is doubly incumbent upon the American Representative in this House, to do everything that will promote at all times, and especially in this hour, national unity, national love, national fraternity. [Applause.] Let Republicans and Democrats alike throughout our country resolve to consecrate anew all of their patriotism, all of their wisdom, all of their courage, all of their loyalty—and all of their coolness—to the one country, to the one Union, to the one flag. [Applause.] I shall say nothing in this debate, as I have never said anything in any debate, or any discussion of any measure, here or elsewhere, which will in any way tend to revive sectional feeling or draw sectional lines, although the metropolitan press continues to assert and reassert daily that in preparing and presenting the pending bill I did so. Mr. Chairman, I repeat, I have never uttered a sentiment here or elsewhere in my life that would in any way tend to rekindle sectional feeling or produce sectional prejudice. [Applause.] I am and have been a partisan Democrat, and many of you are and have been partisan Republicans, and you esteem me no less and I esteem you no less for it. We both know that we are honest in our views upon the issues that divide the two parties. But I have never permitted my political partisanship to entertain a sectional thought.

Returning now to the pending bill, I desire to put the real, palpable, incontestable facts before this House and

the country, and then when the vote is taken the judgment of the House will be asked of Republicans and Democrats. We know, every Republican and Democrat, it matters not how it came about, that we are under the absolute necessity of raising an additional amount of revenue in excess of the revenues to be produced by existing laws to the amount of at least \$200,000,000. We do know, however one side or the other may charge extravagance, that the necessity for the large tax measure of last session and for the revenue bill which we now present was created not by Republicans alone, not by Democrats alone, but by the joint action of Republicans and Democrats in the House and Republicans and Democrats at the other end of the Capitol, and by the administration. We know, every one of us, and the people throughout this country ought to know, that we would not have been under the necessity of presenting a tax measure at the last session, or this bill at this session, had not the demands of the people, or of some of the people, persuaded or forced Congress to enter upon a career of unparalleled increases of appropriations for the Army and Navy and fortifications. Whether right or wrong, wise or unwise, proper or improper, that is the fact. Republicans more solidly than Democrats voted for these increased appropriations, but Democrats voted for them as solidly as they ought, and I thought at the time more solidly than they ought. The responsibility for the need of increased revenues at the last session and at this session is upon Democrats and Republicans alike. The taxpayers of the country must realize the inevitable fact that we can not have big preparedness without big appropriations, and we can not have big appropriations without having big taxation. If the people demand of Congress large and unparalleled increase of appropriations for militarism, Congress must of necessity demand of the people large and unparalleled increase of taxation. Taxes will yearly increase as long as the appropriations for the Army and Navy yearly increase. Taxes will never be reduced until appropriations for the Army and Navy are reduced.

Yesterday in debate and the day before I heard our colleagues upon the other side say—and I know it was said in the heat of debate and, perhaps, for political purposes, for their constituents at home—that but for Democratic extravagance in appropriations in the rivers and harbors bills, and in the public-buildings bills during Wilson's administration, not one dollar of additional taxation would have to be raised. Oh, my friends, there is not one word of truth in it, and when you reflect you yourselves know it is not true. On the contrary, even if we strike out the public-buildings bill which passed the House recently—and it has not yet passed the Senate, and not a dollar, even should the bill become law, will be appropriated for the ensuing fiscal year of 1918—if we were to strike out both the public-buildings bill and the rivers and harbors bill, neither of which has yet passed the Senate, and if Congress had accepted the amendments which Republicans proposed last session and are proposing at this session to the appropriation bills, we would be compelled to raise one hundred million dollars more than we are providing for in this bill. Every Republican here who has taken the time to reflect at all knows that. Let us see about this alleged Democratic extravagance in the rivers and harbors and public-buildings bills. If I make a mistake in any statement of fact, I want some Republican Member of the respective committees to correct me. The Democrats under Woodrow Wilson's administration, even if we include the rivers and harbors bill, which has just passed the House and has not yet passed the Senate, have economized by millions in appropriations for rivers and harbors, as compared with such appropriations under the Taft administration. The Congress during Mr. Taft's administration appropriated \$50,000,000 more, in its four years, than the Democrats, even including the rivers and harbors bill now before the Senate and not yet passed, have under Mr. Wilson's administration. [Applause on the Democratic side.]

Under Mr. Taft's administration for four years Congress authorized \$177,000,000 of appropriations for rivers and harbors, while the Democrats under Mr. Wilson's four years, including the bill that has not yet passed the Senate, appropriated, though the growth of the country and of commerce demanded more appropriations, only \$127,000,000. Ah, gentlemen, no Republican can be honest with himself and honest with this House and honest with his constituents and continue to make the charge that on account of extravagance in the rivers and harbors appropriation bill we are under the necessity of raising this revenue. One more fact. Let this be known by us here and by the people of the country who desire to know the truth, that of the \$127,000,000 appropriated by the Democratic Congress under Wilson's administration, including the last bill passed by the House and now in the Senate, more than five out of every six dollars go to complete or further projects to

which the Government was committed by Congress under Mr. Taft's and Mr. Roosevelt's administrations, and not under Mr. Wilson's. [Applause on the Democratic side.]

Less than \$20,000,000 of the \$127,000,000 that we appropriated in the last four years goes for new projects under the Wilson administration. I remind gentlemen that the rivers and harbors bill now in the Senate, which Republicans denounce, received in this House a majority of Republicans voting.

How about the public-buildings bill, for which Republicans denounce us? I want to state the facts, and then appeal to the conscience and the judgment of honest Republicans here and elsewhere to refute and condemn the charge, by whomever made, that the Democratic Congress has been wasteful and extravagant with respect to public-buildings bills.

Under Mr. Roosevelt's four years, when the country was not nearly so wealthy, when there was not nearly so large a population, when the demand and the necessity for public buildings were not near so urgent, there were authorized \$61,000,000 in public-buildings bills, while under Mr. Wilson's four years' administration up to this moment Congress has enacted into law no public-buildings bill; and if we assume that the bill recently passed by the House will pass the Senate—and I do not believe it will—then we shall have appropriated only \$32,000,000. [Applause on the Democratic side.] Be it further known that this public-buildings bill, for which Republicans now denounce us, and which has not yet passed the Senate, received in the House an overwhelming majority of the Republicans voting.

What else? Under the four years of Taft's administration the Congress passed public-buildings bills amounting to \$75,000,000, two and a half times more than the total amount under the four years of Woodrow Wilson's administration, even if the \$32,000,000 public-buildings bill becomes a law. [Applause on the Democratic side.] Now, gentlemen, there is plenty of politics, and there are plenty of issues upon which gentlemen can display their partisanship, but it is not right, it is not square dealing, for Representatives of the people to stand here on this floor and denounce and charge one party with extravagance in rivers and harbors and public-buildings bills, or in any bill, without stating the whole truth. [Applause on the Democratic side.]

The gentlemen who made these charges ought in justice to themselves, in justice to truth, have the manhood to get up here and confess that they were wrong and admit that, certainly as compared with the bills under Republican administrations, there has been no extravagance in rivers and harbors and in public-buildings bills under Woodrow Wilson's administration, but most commendable economy. [Applause on the Democratic side.] But these appropriations, small as they are in comparison with the appropriations under the Taft administration and under the Roosevelt administration, are not responsible for a dollar of the tax which will be produced by the revenue bill of last session or the tax which will be produced by this bill if it becomes law. Now, gentlemen, the Republicans and Democrats alike are responsible for this unparalleled increase in "preparedness" appropriations; Republicans and Democrats alike are responsible for the necessity of producing additional revenue, but the difference between the Democrats and Republicans, as has been shown in this debate, and I fear will be shown in the vote, is that recognizing their joint responsibility of such increased appropriations the Democrats have the courage to share in or take the responsibility of providing means to defray them, while the Republicans run away and are too unmanly to stand here and help finance the very appropriations for which they voted and relieve the very financial situation they created. [Applause on the Democratic side.] I wish here to call their attention and to call the attention of the House and of the country to the fact that from the time the people, Republicans and Democrats alike, began to demand these huge increases of appropriations for "preparedness"—and they did not demand it until the war had made a slaughterhouse of Europe and had brought fright into the minds and hearts of all neutral people the world over—every time a bill has been presented to Congress to provide money to meet such preparedness appropriations the Republican Party on this floor has almost solidly voted against it. [Applause on the Democratic side.]

I want to call the attention of the country that while urgently demanding and persistently voting for the largest appropriations at any time suggested, the Republicans in this House, when confronted with the duty of financing them, have never yet been willing to sacrifice the cause of a protective tariff, the cause of the tariff barons, to the cause of their country's preparedness and defense. [Applause on the Democratic side.] They voted for them, but when it comes down to providing means for defraying the appropriations they say, "No; we will let the country go unprepared, even in the hour of impending

crisis, if by such preparation we must touch one jot or tittle of our tariff policy or cross for one moment the demands of our tariff-fattened favorites." [Applause on the Democratic side.] In order to rally "the boys" to the standard of Republican solidarity in the House our opponents abandon discussion of the merits of the pending bill, raise the old battle cry of "tariff and protection to American industries," and, to procure the required revenue, audaciously demand a return to the Payne-Aldrich Protective Tariff Act. Why try to fool anybody by such appeal and demand? Do you not know—yes; every minority Republican member of the Ways and Means Committee knows, absolutely knows, that it is absolutely impossible to raise the necessary amount of revenue to take care of the increased appropriations for preparedness by a protective tariff or by any tariff. [Applause on the Democratic side.] I am going to show it so clearly, to bring proof so incontestable, that not a Republican can deny or dispute it.

I ask the careful attention of gentlemen here, and I wish every man in the country, Republican and Democrat, could hear while I recount these facts. The largest amount of customs receipts and taxes ever collected in any one year under the Payne high protective tariff act, and all other revenue laws under the Taft administration, was \$663,000,000. This was the last year of the Payne Act and the Taft administration.

The estimates of appropriations for the fiscal year 1918, for which this Congress must appropriate, and for which Republicans will vote almost to a man, for the Army, Navy, and fortifications alone, are \$777,000,000. [Applause on the Democratic side.]

One hundred and fourteen millions more for Army, Navy, and fortifications alone for the next fiscal year than the biggest amount collected in any one year under the Taft administration from the Payne Tariff Act and every other source of taxation.

Let me repeat. The total amount of money collected from all sources of taxation during the life of the Payne-Aldrich Act, under the Taft administration, from customs receipts, corporation tax, from internal revenue, the tax on liquor, beer, and tobacco, from every kind of tax in the year 1912-13, the biggest collection year under Taft and the Payne Act, was \$663,000,000. The estimates of appropriation for 1918 for the Army, Navy, and fortifications alone for which this Congress will appropriate, and for which you Republicans are voting, is \$777,000,000—over \$100,000,000 more than the total amount of taxes raised from all sources in the best year of Taft's administration and the Payne Act. And yet with that bald, stark-naked fact staring you in the face you have the audacity to attempt to fool the House, and attempt to fool the American people, with the statement that the way to finance this \$777,000,000 and the more than \$500,000,000 required for other functions of the Government is to have the Payne-Aldrich or some other protective tariff measure enacted.

Let me remind the gentlemen that the customs duties collected under the Payne Act, in its last year, was only \$312,000,000.

Mr. FORDNEY. Will the gentleman yield for a minute?

Mr. KITCHIN. Yes.

Mr. FORDNEY. It has not been so contended by any man speaking from this side of the House. Will the gentleman pardon me a little further?

Mr. KITCHIN. Yes.

Mr. FORDNEY. The proposition from the Republican side of the House has been—and I as well as others made that statement—that to provide for this increase in the Navy and the Army, and the money spent on the Panama Canal, it should be taken care of by a bond issue.

Mr. KITCHIN. Why, you do not say that in the report which you signed yourself and wrote yourself. You demanded a protective tariff to get the revenue. [Applause on the Democratic side.]

Mr. FORDNEY. I pointed out to the gentleman in my remarks that if the rates of duty provided for in the Payne tariff law had been in effect last year they would have furnished an additional amount of \$248,000,000, the exact amount you proposed to raise from direct taxes in this bill. And that is as far as we went. [Applause.]

Mr. KITCHIN. And I have shown time and again on this floor how impossible it was to raise that amount by your tariff. I hold in my hand the minority report, signed and written by the gentleman himself. I read:

To meet this deplorable condition of our National Treasury two radical courses should be followed:

- (1) Proper and rigid economy observed in all appropriations.
- (2) A return to the sound fiscal system of four years ago—

[Loud applause on the Republican side.]

Gentlemen, I trust that applause upon the part of his Republican colleagues does not mean the refutation of the statement relative to bonds which the gentleman solemnly made upon the floor a while ago. [Applause on the Democratic side.] In answer to the statement I made that they propose a return to the Payne-Aldrich or some protective tariff act for the production of revenue, after I have proved that it was impossible to do it, the gentleman gets upon this floor and deliberately says that Republicans do not ask that, that they ask for bonds with which to meet the revenue requirements. Republicans then applaud when I show that the ranking minority member of the Ways and Means Committee [Mr. FORDNEY] flatly misrepresented the position which he and his colleagues on the committee took less than 24 hours ago. I would have applauded that myself. [Applause on the Democratic side.]

I hold in my hands the minority report, filed yesterday morning, signed by J. W. FORDNEY, A. P. GARDNER, J. H. MOORE, W. R. GREEN, CHARLES H. SLOAN, NICHOLAS LONGWORTH, and G. W. FAIRCHILD, the minority members of the Ways and Means Committee, and it demands not bonds but a return to the Payne or some protective tariff act to meet the revenue requirements. We proved in the debate yesterday after the filing of that report that it was impossible to do this by a tariff, and to-day they realize that we have knocked them from that position, and now, for the first time, we hear a demand by the opponents of this measure for bonds to meet the preparedness appropriations.

Mr. FORDNEY. If the gentleman will look at the date of the report, he will find that it was presented and printed on January 29, and not on yesterday.

Mr. KITCHIN. Mine is January blank. I never saw or received the report until yesterday morning.

Mr. FORDNEY. Get the report made by the minority members and you will find it was made and printed on January 29.

Mr. KITCHIN. I have it in my hands. I said you changed your position in 24 hours, but we will make it that you changed your position in 48 hours.

Mr. FORDNEY. It does not make any difference—

Mr. KITCHIN. My point is—

Mr. FORDNEY. Will the gentleman yield?

Mr. KITCHIN. I will yield. Go ahead.

Mr. FORDNEY. Will the gentleman be fair? I have always been fair with you.

Mr. KITCHIN. Yes.

Mr. FORDNEY. You have misstated the statements and remarks from this side of the House when you make the statement that we have recommended that to take care of this extraordinary expenditure in the Army and Navy we propose to raise it from a tariff law.

Mr. KITCHIN. That is what you have put in the report. That is what you demanded last session when the last revenue bill was pending by which to raise money for preparedness.

Mr. FORDNEY. Nothing of the kind. It is the direct tax that we propose to offset that you have provided for in your bill.

Mr. KITCHIN. Look at that report. Is not that your name, the first to the report? Who forged your name to that? [Applause on the Democratic side.]

Mr. FORDNEY. Nobody. [Laughter.] And nobody but you is misrepresenting what I said in the report, either.

Mr. KITCHIN. Will you please, without omitting anything, read that yourself to the House?

Mr. FORDNEY. I will reply to you in my own time.

Mr. KITCHIN. Now, let me read exactly what you yourself said in that report, which was filed, as you say, on January 29, and show to the House how completely it repudiates and contradicts your position and declarations to-day.

Mr. FORDNEY. Read it all, in order to be fair.

Mr. KITCHIN. Here is the way the gentleman and his minority colleagues say we should get this money. Remember every dollar of it is for preparedness:

A return to the sound fiscal system of four years ago, under which our national debt was gradually and substantially being reduced. Prudent national enterprises were being met and their expense paid. A safe and substantial surplus was maintained in the Treasury, and a reasonable protection to American industries maintained, which contributed largely toward full and constant employment at good wages to our labor, and gave a fair opportunity to American capital.

[Applause on the Republican side.]

They demand a return to the fiscal system of four years ago. What was that? The Payne-Aldrich Act. Let me read further from this remarkable minority report and settle this little dis-

pute between the gentleman and myself. On the very first page which he himself wrote they—

urge a return to the policy of economy and the immediate adoption of an adequate tariff law not only to provide a large amount of additional revenue but to afford protection to American industries.

[Applause on the Democratic side.]

There is not a suggestion or word about bonds from beginning to the end of the gentleman's report. Forty-eight hours ago you were going to meet the appropriations by a protective tariff, but now you are going to finance them by an issue of bonds. They have been telling the people that the only way to keep Japan from landing on the western coast, and France and Russia and Germany and Great Britain from landing on the eastern coast, after the European war is over and from conquering us and capturing you and me and our wives and children is to tremendously increase the military appropriations. You Republicans are scared, and you have been scaring the country, and yet you have not the manhood and the courage to help finance your own fright [applause on the Democratic side]; but are so unmanly and so selfish that you wish to put that burden off on your children and grandchildren by a bond issue and make them pay the bonds. [Applause on the Democratic side.] I would rather be branded a legislative idiot and stand for the impossible thing of raising the needed revenue by a protective tariff, for which up until to-day you stood, than to stand here, a legislative coward, insisting upon putting burdens on the shoulders of my children, for my benefit and my protection, which I am unwilling to put on my own shoulders. [Applause on the Democratic side.]

Be it remembered that these preparedness appropriations which Republicans now propose to finance by issue of bonds and force our children to pay are not war-time but peace-time appropriations. They will recur each year as other necessary expenses of the Government will, and if we continue to follow the war traffickers and jingoes, will increase each year. They, as their advocates claim, are our guarantors of peace. They are intended to frighten other nations off.

Mr. MADDEN. Mr. Chairman, I ask unanimous consent that the gentleman's time be extended.

Mr. KITCHIN. I think the gentleman from Michigan trenched on my time for some minutes. I do not know whether that is the way you can do it or not.

Mr. MANN. You can read the first paragraph of the bill and then get unanimous consent for 10 minutes.

Mr. KITCHIN. Well, let the first paragraph be read by the Clerk.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled—

TITLE I.—SPECIAL PREPAREDNESS FUND.

Mr. FORDNEY. The gentleman's time might be extended. The gentleman was very fair with me and gave me more of his time than he disposed of on his side. I ask unanimous consent that the gentleman from North Carolina may—

The CHAIRMAN. The committee has no power to change the time that has been fixed. The Clerk has read the first paragraph.

Mr. KITCHIN. I move to strike out the last word.

Mr. MANN. The Clerk did not read all of the first paragraph.

Mr. KITCHIN. Let the Clerk go ahead.

The CHAIRMAN. The Clerk will read the first section.

The Clerk read as follows:

TITLE I.—SPECIAL PREPAREDNESS FUND.

SECTION 1. That the receipts from the tax imposed by Title II and one-third of the receipts from the tax imposed by Title III of this act shall constitute a separate fund in the Treasury to be used only for the expenditures incurred under the act entitled "An act making appropriations for the support of the Army for the fiscal year ending June 30, 1917, and for other purposes," approved August 29, 1916; the act entitled "An act making appropriations for the naval service for the fiscal year ending June 30, 1917, and for other purposes," approved August 29, 1916; and the act entitled "An act making appropriations for fortifications and other works of defense, for the armament thereof, for the procurement of heavy ordnance for trial and service, and for other purposes," approved July 6, 1916, or any other act or acts subsequent thereto making appropriations for Army, Navy, or fortification purposes. In addition to such receipts from the taxes imposed under Titles II and III of this act, there shall be credited annually, beginning with the fiscal year ending June 30, 1918, to such separate fund, the sum of \$175,000,000, such sum being the estimated additional revenue to be derived under the act entitled "An act to increase the revenue, and for other purposes," approved September 8, 1916, in excess of the revenue to be derived under then existing laws: *Provided*, That the Secretary of the Treasury may use such fund for other purposes, but such fund shall be reimbursed for any portion thereof so used.

Mr. KITCHIN. Mr. Chairman, I stated a moment ago that it was absolutely impossible to raise this revenue by any kind of a tariff that may be written in accordance with either the

policy of the Republican Party, the Democratic Party, or any other party that has ever written a tariff. If you could combine the policies of all parties on the tariff you could not get more than \$400,000,000 of revenue from it, while, on account of the enormous increases, the appropriations for preparedness alone at this session will be \$777,000,000. I have shown you that preparedness of itself will cost annually \$114,000,000 more than the total amount of revenue that was ever collected in any one year from all sources of taxation, including the Payne Tariff Act, under Republican administration, or any administration, up to 1915. If we add to that the \$160,000,000 to be appropriated for pensions, we have a total annual appropriation for preparedness and pensions alone of \$937,000,000, which is \$274,000,000 more than the total amount of taxes collected from all sources in 1913, the biggest collection year of the Payne Act, and the Republican administration. In addition to the pension and preparedness appropriations, about \$450,000,000 are required for other functions of the Government. Let me again put this further fact in the Record, a fact that I emphasized day before yesterday: If in each of the four years under the Taft administration and the Payne Tariff Act and all other then existing revenue laws Congress had appropriated as much for military preparedness as Congress, according to the estimates and demands of the administration, will appropriate this session, and the Republicans will vote almost to a man for them, or as Congress appropriated last session, for which the Republicans voted, Taft would have turned over to Wilson the very day he was inaugurated a bankrupted Treasury, with a deficit of \$2,114,000,000! [Applause on the Democratic side.] And yet the Republicans are trying to fool the country into the belief that they could finance preparedness by a protective tariff!

Our opponents argue with us, and when we are not convinced they threaten us, and in their threats they discredit the humanity, the integrity, and the patriotism of the honest manufacturer and business man of this country. In a half dozen speeches made yesterday by Republicans in this debate we are given notice that if we do put this tax upon the profit makers, if we do put this tax upon the manufacturers, who are making more profits than ever before in the history of American industry, these manufacturers and business men will not pay a cent of it, but that they will deliberately shift it to their labor. How can they shift it to their labor? Either by increasing the hours of labor, by reducing the wages of labor, or by increasing the price of the necessities of life which labor must have in order to live. [Applause on the Democratic side.] The Republicans, in the name of the business men and manufacturers, make the bold challenge that if we dare to touch even a penny of the immense pile of wealth and profits which in the last four years of the Democratic administration the business men and manufacturers have piled up they will make labor pay every dollar of it back to them. The Republicans have them saying to their labor, "We know that the cost of living to you and your wife and children is higher than ever before; we know that the dollar your daily toil earns will buy less than ever before; we know that your increase of wages has not halfway kept pace with the increased cost of living; we know that you never clamored a moment for these increased appropriations for preparedness; we know that we, your employers, did clamor, did demand the enormous appropriations. We notify you and we warn the Democrats that, while from your loyal toil and sweat we have piled up our billions of wealth and profits, if the Democrats pass this bill our Government shall not take one penny from that pile, but we propose to shift to you the payment of every cent of the tax proposed to finance the country's defense."

Were I a Republican I would rather abandon every policy of my party, even protection, than to put my party in the position of bringing such an indictment of cruelty and inhumanity against the honest, patriotic business man and manufacturer of our country. [Applause on the Democratic side.]

Gentlemen, I want to say to the business men and manufacturers of this country that I, the Democratic chairman of the Ways and Means Committee, have more confidence in your patriotism, in your humanity, in your integrity, in your sense of justice than have these Republican gentlemen who so indict you. [Applause on the Democratic side.] I want to say to you that I believe a majority of the business men and manufacturers in this country who demand these increased appropriations are honest enough, patriotic enough, have a sense of fairness and equity enough to willingly pay this small tithe of their immense profits. In the name of the humanity and the integrity and the patriotism of the business man and manufacturer of this country I resent this cruel and libelous indictment against them. [Applause on the Democratic side.]

Now, gentlemen, the plain question before the House is, How shall we procure the required amount to meet the big increase of preparedness?

Two propositions are presented. One is the Democratic proposition—a tax upon excess or surplus profits. The other is the Republican proposition—restore the protective tariff. I think the proof is conclusive that such a tariff would not produce the required amount; but let us assume that it will. In this proposition the Republicans insist that the tax should be levied on consumption, on the necessities of life; that it should be levied on tea and coffee and flour and meat, on hosiery and underwear, on blankets and clothing, on hats and shoes—on everything that people must eat, drink, and wear to sustain life. Though the cost of living is higher than ever before, though the advance in wages has not half-way kept pace with the advance in the cost of living, though the purchasing power of the dollar, and especially the dollar of the wage earner and the widow and the orphan is less to-day than ever before, they insist by their proposition that the cost of living should be made higher, that the purchasing power of the dollar should be reduced still lower. They insist that, though the wealth accumulators of the country—the big business men and manufacturers—demanded and forced these huge appropriations they shall be exempt from taxation to defray them.

They insist that—though the big business men and manufacturers are making the most enormous profits in the history of industry—the whole burden of this tax shall be shifted from them to the people, and especially to the wage earner, and that by the inevitable operation of their proposed protective tariff these same manufacturers shall be enabled to increase, out of the necessities of the people, their already swollen profits. In other words, they insist that those most able to pay shall be exempt from any tax and that those least able shall be made to pay it; that from those who have not it shall be taken, and to them who have it shall be given. That, sirs, is the Republican proposition.

In these days of the high cost of living we Democrats felt that it would be an act of inhumanity to force by law that cost still higher by putting the required tax upon the necessities of life—upon what the people must eat, drink, and wear. [Applause on the Democratic side.]

We knew that such a tax would fall most heavily on the mechanics, the wage earners, the widows, and orphans.

According to the most available statistics, the clear net profits of partnerships and corporations taxable under this measure exceed annually \$5,500,000,000.

Of these immense profits over \$3,500,000,000 are exempt from the tax by the deduction or exemption provisions of the bill. The tax only attaches to the \$3,000,000,000 in excess of these exemptions.

Rather than force those who make no profits, who accumulate no wealth, who have no excess over the bare means of existence to pay for these big appropriations by a tax upon their necessities of life we concluded that the most just, the most humane, and the least burdensome way was to take from these billions of excess profits a small part to help prepare our country to defend itself against foreign invasion, to help prepare our country to protect, in the hour of danger, the very wealth that produces these billions of profits and which Republicans insist should be exempt from all taxation. [Applause on the Democratic side.] That, sirs, is the Democratic proposition, upon which we appeal to the House and the country for judgment.

In preparing and advocating this bill I will tell you what was in my thought and how I personally felt. I knew that not one officer in a hundred of a corporation, not one member in a hundred of a partnership that will pay one penny under this bill will ever enlist, in time of war, as a private soldier to defend his country. I knew, too, that when war came it was the men who accumulate no wealth, who make no excess profits that at the bugle's first sound would go to the front. These are the men who are going to be called upon in the dangerous hour of the country's destiny to sacrifice, not income, not profits, but blood, and limbs, and lives. [Applause on the Democratic side.]

And I said to myself that as long as I was a Member of this House, these men, so far as I could prevent, should never be taxed one penny to prepare this country for war, but I would try by law to make it the duty of wealth to furnish in times of peace the instruments with which in time of war the brave boys from field and factory and mine and counter, who have no wealth, who make no profits, will be called upon to defend not only their country, but that very wealth. [Applause on the Democratic side.]

If it be the right thing for these patriotic men who are unable to make profits, who are unable to accumulate wealth, to go out at the trumpet's call and pay in time of war with their

blood and their limbs and their lives their country's demands, it is only right that the men who accumulate large wealth, who make large profits, and who in the time of danger will never face the enemy, shall pay, in time of peace, out of their incomes and profits for the ships and guns with which these brave, loyal defenders of their country must fight. [Applause on the Democratic side.]

Let me say to my Democratic colleagues who, like myself, oppose the large and extravagant increases in appropriations for military preparedness that we can not, as some claim, reduce or prevent further increases in such appropriations by the defeat of this bill. I know that these enormous appropriations are going to come in spite of my and your protest, in spite of my and your efforts. You and I can not prevent them. Now, it is up to us. Do you want to defeat this bill and force an extra session, and encourage the Republicans to believe or hope that in the next Congress they can get enough protective-tariff Democrats to join with them and foist again a high protective tariff upon the country? Fellow Democrats, can you afford to help them do it? I, like many of you, am against this big, unparalleled program for preparedness. They can not build the ships authorized in 10 years, and before they build the last ones the first will be obsolete. I am against it, but I can not prevent it. But if I can not prevent it, I do want to have some say as to how the taxes are to be levied with which to pay for that program. [Applause on the Democratic side.]

I know that if this bill is defeated it will mean an extra session. I know that tariff-reform Democrats, like most of you, will have little or no say-so in the writing of a revenue bill at an extra session, because enough Democrats can be secured then to join with the solid vote of the Republicans to put upon the statute books the highest and most oppressive tariff ever written. You can not afford to do it. We, you, are to decide which of the two propositions you will stand for—the Republican proposition to tax consumption, the necessities of life, or the Democratic proposition to tax the surplus profits of wealth. Who proposes to tax consumption? A solid Republican Party in this House. They have drawn this aisle with a chalk line, and the party lash never cracked so loudly and effectively as during the last two days to drive every Republican into line to vote against this bill in the hope that a protective tariff may come. Ah, gentlemen, if the Republicans can be so loyal to their policies and principles, in God's name why can not the Democrats be as loyal to theirs? [Applause on the Democratic side.] The proposition which they present has back of it the solidarity of the Republican Party in this House and this country. It has back of it every man who opposed the Underwood bill; it has back of it everyone who opposed the enactment of the income tax; it has back of it every man who opposed the inheritance tax; it has back of it every man who opposed the revenue measure of last year, so just and so wise that 40 Republicans—for the first time in the history of revenue legislation—broke ranks and voted for it. The same influences that have fought the Democratic Party in every step it has taken in its long march for revenue reform are fighting this bill; and, fellow Democrats, you can not afford to line up and touch elbows with the solid Republican phalanx that in the defeat of this bill see an opportunity to restore their revenue policies to the statute books. [Applause on the Democratic side.]

Let me say to you that for weeks, for months, night after night and day after day, the 14 Democratic members of the Ways and Means Committee looked down every possible avenue for revenue. They considered every subject, every method of taxation suggested inside and outside the Capitol. They summoned to the task before them all their industry, all their wits, all their wisdom, and finally concluded unanimously that this bill was the wisest, the most equitable, and the least burdensome of all methods of taxation suggested.

While I have reminded you of the opposition to this bill, I want to say that every Member in this House who is a friend of revenue reform, a friend of the income tax, a friend of just taxation, should be a friend of this bill and should vote to put the tax on those the best able to bear it and not upon those the least able to bear it. [Applause on the Democratic side.] I want to tell you that the widows and orphans, whose income from their money loaned is not over half as large as the 8 per cent exemptions, are friends of this bill; every man that labors, every mechanic, every workman on the farm, in the shop, in the factory, in the mine, or elsewhere who gets his living by daily toil and does not want his dollar reduced in its purchasing power over the necessities of life is a friend of this bill. The Democratic Members on the Ways and Means Committee are united behind the bill. The membership of the Democratic caucus is for the bill, and the great Democratic administration,

the President, the Secretary of the Treasury, heartily indorse this bill. [Applause on the Democratic side.]

My Democratic friends, reconsider, take the second thought, do not do the rash thing and go against the people, the wage earners, the orphans, the widows, the whole membership of the Ways and Means Committee, the Democratic House, the Democratic administration, and join hands with our Republican friends and thus encourage them in the hope by the defeat of this measure that they can hereafter destroy the policies you have been fighting for all your lives. [Applause on the Democratic side.]

I was in hopes—I know now by this debate it can not be—that every man in the House, Republican and Democrat, in his vote on this important measure could forget his political partisanship and let the patriotic instincts of the loyal American heart inside of this Capitol predominate over the demand of commercial avarice outside of this Capitol. [Prolonged applause on the Democratic side.]

Mr. MANN. Mr. Chairman, I might remind the Chair that although the clock at the Chair's desk may have stopped the clock over the Chair's head is still running.

The CHAIRMAN. With the permission of the gentleman the Chair would like to make a statement. It was apparent to the Chair that the House desired that the gentleman from North Carolina might be able to complete his remarks. He had waived an hour and a half due his side in general debate, and while the Committee of the Whole House on the state of the Union can not increase the time for general debate during the reading of the bill he was given 10 minutes, and it seemed to the Chair that it would expedite matters and be in accord with the plain desire of the committee if he was not interrupted exactly upon the expiration of 10 minutes and so the Chair somewhat extended the time.

Mr. MANN. It is not the duty of the Chair to extend the time on his own motion, though I did not call attention to it for that purpose, but I do not desire the Chair to let me run on ad libitum.

Mr. FITZGERALD. I hope he will not.

Mr. MANN. Mr. Chairman, I speak with considerable difficulty owing to a slight physical ailment, and shall address the House for only a very few minutes. Permit me to suggest to the Democratic side of the House in response to a statement made by the gentleman from North Carolina [Mr. KITCHIN] that the party whip or the party lash has not been used upon the Republican side of the House in connection with this bill. [Applause on the Republican side.] The party lash on the Republican side of the House is seldom effective, whether an effort be made to use it or not. We appeal to the intelligence of Members, we do not depend upon orders from the White House for our way of thinking. [Applause on the Republican side.] We do not depend upon the gentleman from North Carolina to crack the whip as he has just been endeavoring to crack it, with a sad appeal to his side of the House. We endeavor to be patriotic, we endeavor to do the thing which we believe is for the best interest of our country and our people, and we have had no occasion this time even to make any special appeal of any kind, because some of the provisions in the bill pending before us are so bad that nobody would be for them except under the stress of partisan administrative appeal, and that does not appeal to us. [Applause on the Republican side.]

Mr. Chairman, we could raise a large portion of the additional money needed in this time of emergency by additional revenue legislation. We are met with an emergency. We appreciate the fact that there is an emergency in the country that is the cause of the preparedness legislation. We foresaw it ahead of you gentlemen on the other side of the aisle. You are merely catching up with us. Everyone in the country recognizes the fact that there is some emergency at the present time in the world and in this country. A majority of the people of the country have believed in putting the country in condition for defense and for protection of its rights. This requires additional legislation. The gentleman from North Carolina [Mr. KITCHIN] said he did not believe in the issuance of bonds for the purpose, because he was not willing to pass on to his children the payment for preparation now in the present emergency. I have been taught to believe by experience and observation in life that the greatest value that comes to a man or a concern, and it applies also to a country by acquiring good credit, is the power to borrow money in a time of emergency to tide him over. The gentleman from North Carolina says that fortifications are temporary, not permanent; that the construction of battleships to-day is purely temporary. Of course, they are not permanent, though they last over a series of years. He is opposed to the issuance of bonds that we might properly issue to prepare for the present emergency, and which we could

take care of during a series of years by additional revenue raised from a proper protective tariff. [Applause on the Republican side.] But, Mr. Chairman, think of the irony of the gentleman from North Carolina when he states that he is opposed to the issuance of bonds to construct permanent fortifications, to provide permanent improvements in the Navy, to provide battleships which last for a series of years, and then says he is in favor of the issuance of bonds that our children and grandchildren must pay for the benefit they will receive from our fiasco in Mexico! [Applause and laughter on the Republican side.] He proposes an issue of bonds to the extent of \$162,000,000 to pay past expenses for what? Our little trouble on the border of Mexico. What benefit will your children get from that? He proposes that your children shall pay for that benefit by the issuance of bonds. "Consistency, thou art a jewel"—never known on the Democratic side of the House. [Applause and laughter on the Republican side.]

Mr. FORDNEY. Mr. Chairman, I move to strike out the last word. First, in reply to the remarks made by the gentleman from North Carolina—

Mr. KITCHIN. Mr. Chairman, before the gentleman begins, can we not have some understanding that we shall vote on this paragraph after the gentleman is through?

Mr. FORDNEY. Personally I do not want more than 5 or 10 minutes.

Mr. BUTLER. How long would the gentleman like? I have listened to the gentleman from North Carolina for 25 minutes under an extension of 10 minutes.

Mr. FORDNEY. The gentleman from North Carolina was very fair about the time on yesterday.

Mr. KITCHIN. Mr. Chairman, I desire to say to the gentleman from Pennsylvania and to others that it was understood by the gentleman from Michigan that I should have a little longer time to-day, because yesterday the other side was ahead by two hours.

Mr. BUTLER. I am not objecting to it.

Mr. KITCHIN. I am willing that the gentleman from Michigan shall have all the time he wants, but I do desire to begin the consideration of the bill under the five-minute rule, as was agreed on yesterday, just as soon as the general debate was over. I am willing that the gentleman shall have what time he desires.

Mr. MANN. Mr. Chairman, permit me to make a statement to this side of the House. There was a suggestion made that general debate should be limited and closed earlier than it was. Of course, the gentleman from North Carolina [Mr. KITCHIN], if he had the votes, and probably he had them, had the power to close debate. General debate ran along through yesterday, and the gentleman from Michigan [Mr. FORDNEY] and myself agreed to expedite the consideration of the bill as far as we could reasonably, without cutting off the rights of Members on this side of the House to offer amendments and to discuss the bill. We have no desire to delay, and only desire to protect our rights. I have never known gentlemen upon this side of the House to abuse that privilege.

Mr. KITCHIN. I suggest to the gentleman from Michigan that he proceed and take whatever time he desires, and after that let both sides try and hurry the matter along under the five-minute rule without using any more time than is necessary.

Mr. FORDNEY. I shall not take more than 10 minutes.

The CHAIRMAN. Is there objection to the gentleman from Michigan proceeding for 10 minutes? [After a pause.] The Chair hears none.

Mr. MOORE of Pennsylvania. Mr. Chairman, will the gentleman from North Carolina have any one on his side to reply to the gentleman from Michigan?

Mr. KITCHIN. No.

Mr. MOORE of Pennsylvania. Because if he has I would like to have five minutes.

Mr. KITCHIN. Oh, no; we will go right into the five-minute debate.

Mr. MOORE of Pennsylvania. The gentleman is going to close after this on this paragraph?

Mr. KITCHIN. Yes.

Mr. FORDNEY. Mr. Chairman, I want to call the attention of the members of the House to the fact that I do not believe the gentleman from North Carolina [Mr. KITCHIN] or any Member on the Democratic side of the House can point to anything in any revenue legislation that has been passed by the Democratic Party in the last four years that gives any encouragement to any industry in the United States, or to American labor.

First, they passed the Underwood tariff law reducing the duties on imports, which discouraged both capital and labor in the United States and encouraged both capital and labor abroad. The gentleman from North Carolina [Mr. KITCHIN] speaks of

the extravagance of the Republican Party and the great economy of the Democratic Party. Let me call the attention of the gentleman to the situation to-day. There has been no increase in the Army or the Navy, notwithstanding the fact that such laws have been put upon the statute books by our Democratic friends, authorizing an increase both in the Army and the Navy. There has been no substantial increase in either, yet when the Republican Party went out of power March 4, 1913, let me repeat, that over and above all the liabilities of this Government they left in the Treasury \$130,000,000 for the Democrats to use in their coming extravagance.

In addition to that the Democrats sold and received \$12,535,000 from the proceeds of the sale of two battleships to Greece, which money went into the general fund on the 10th day of July, 1914. In addition to that there has been returned to the Treasury of the United States, under the provisions of your revenue laws enacted last year, stamps to the extent of from three to five million dollars which have not been redeemed and not any acknowledgement of a remittance has been given since November last by the Treasury Department. Again, there is \$5,000,000 of Treasury certificates outstanding, a liability of the Government. Add \$130,000,000 to those items and you have a deficit of \$187,000,000 in four years. That is the situation of the Treasury to-day. In addition to that, as was pointed out yesterday by myself, if we had had the Payne-Aldrich rates of duty in effect since the operation of the Underwood tariff law you would have collected, in round numbers, \$515,000,000 more from customs duties than you have collected [applause on the Republican side], making a total deficit in those items mentioned to-day of \$702,535,000 since you came into power. You have not met any extraordinary expenditure of Government. What have you done with this surplus? If you had permitted to remain upon the statute books the Republican wise revenue laws you would have no occasion for this law which my good friend from North Carolina has so eloquently appealed to the Members on that side of the House to stand by. [Applause on the Republican side.] If that is not a party whip, what is a party whip? There has not been a suggestion made by any man to my knowledge on this side of the House that a single man on the Republican side of the House should be influenced to vote for or against this measure. [Applause on the Republican side.] I believe, I firmly hope, that there is not a Republican or a Progressive on this side of the aisle who will stultify himself by voting for this damnable measure. [Applause on the Democratic side.]

Mr. KELLEY. Will the gentleman yield?

Mr. FORDNEY. I yield to the gentleman.

Mr. KELLEY. I would like to inquire of my colleague how much revenue could be raised by an increase of 10 per cent on the Underwood rates?

Mr. FORDNEY. If the gentleman means a sliding scale of 10 per cent on all articles on the free and protected list as provided for in the Underwood law, based on imports of last year, we would have collected \$248,000,000 more than has been collected.

Mr. HELVERING. Will the gentleman yield?

Mr. FORDNEY. I do.

Mr. HELVERING. Is the gentleman in favor of that proposition?

Mr. FORDNEY. Oh, no; I will show to the gentleman what I am in favor of before we finish this bill, good sound Republican legislation [applause on the Republican side] which you have repudiated. [Applause on the Republican side.]

Mr. SMITH of Michigan. Will the gentleman yield?

Mr. FORDNEY. I will.

Mr. SMITH of Michigan. The gentleman is on the Ways and Means Committee, is he not?

Mr. FORDNEY. Yes, sir.

Mr. SMITH of Michigan. Was this bill ever considered by your committee before being reported?

Mr. FORDNEY. The Republican members of the Ways and Means Committee were never called together until the bill had been introduced and a report made and placed in their hands, two days before, in which this Democratic report stated, "Your committee reports back to the House this bill without amendment." [Applause on the Republican side.] When the chairman presented that bill for consideration in full committee I made the statement that it was nonsense to spend any time considering it, owing to the statement in their report made two days beforehand, and a vote was immediately taken, and it was a strictly party vote, all Republicans voting against a favorable report on the bill. We are complaining, gentlemen, not of the increase in the Army and the Navy. We do not refuse to join you in some equitable method of raising revenue to meet the additional enormous expenses, as we have stated on the floor of the House; and I repeat, as far as I am personally

concerned, we are ready to join and vote for a bond issue for these extraordinary increases in our Navy and for the money spent on the Panama Canal that will be enjoyed by our children and our great grandchildren, and it is only fair that that great and enormous expense should be placed on some future generations, in view of the fact that your appropriations for general expense of this Government is greater by hundreds of millions of dollars than the appropriations of any previous Congress in the history of the Republic. [Applause on the Republican side.] Your nitrate plant, your armor-plate plant, your ship-purchase bill, and a whole lot of other absolutely unnecessary expenditures at this time are absolutely nonsensical when you are busted financially. [Applause on the Republican side.] That is what we are complaining about.

Mr. HELVERING. Will the gentleman yield?

Mr. FORDNEY. I will.

Mr. HELVERING. The gentleman made a statement a few moments ago that not a single bill had been passed by a Democratic Congress which would prove a help to business in any way—

Mr. FORDNEY. A revenue bill; no revenue bill.

Mr. HELVERING. Let me ask the gentleman—

Mr. FORDNEY. Yes.

Mr. HELVERING. Did the gentleman see the report of the commission or league for foreign trade which met in Pittsburgh on last Saturday which indorsed the shipping bill which the gentleman just mentioned?

Mr. FORDNEY. Is the shipping bill a revenue bill?

Mr. HELVERING. The gentleman said legislation—

Mr. FORDNEY. I am talking about revenue bills and said revenue bills, and I say if I had a 10-year-old boy who was fool enough to propose to establish a merchant marine under existing conditions as a business proposition, I would put him over my knee and paddle better sense into his head. [Applause on the Republican side.]

Mr. HELVERING. Will the gentleman yield?

Mr. FORDNEY. Yes; I will yield.

Mr. HELVERING. And at the time the shipping bill was being considered the gentleman stated that he would rather put upon the people of this country a subsidy.

Mr. FORDNEY. I never said anything of that kind in your presence or in any other man's presence.

Mr. HELVERING. I want to be fair to the gentleman.

Mr. FORDNEY. I never voted for a subsidy bill in this House; never. I would favor a subsidy if all conditions were favorable. I have opposed it on the lines on which it was presented. But let me say to you, my friend, my objection to the shipping bill, as I point out now, and I will not take too much time of the House, is that abnormal conditions all over this world prevail, and neither an American citizen, the Government of the United States, nor any man on earth can buy a ship made in this or in any other country at less than four times its normal value at this time. As I pointed out the other day, I knew of two ships that were built 10 years ago, one of them, and the other 12 years ago, at a cost of less than \$250,000 each. One of them has been recently sold for \$1,000,000 cash and the other for \$1,300,000 cash.

The CHAIRMAN. The time of the gentleman has expired.

Mr. FORDNEY. Mr. Chairman, I ask unanimous consent for five minutes more.

The CHAIRMAN. The gentleman from Michigan asks unanimous consent for five minutes more. Is there objection?

There was no objection.

Mr. FORDNEY. I pointed again that the proprietors of the great shipyards of this country came before the Committee on the Merchant Marine and Fisheries and stated that 90 per cent of the cost of construction of a ship is labor, and that our labor is from two to ten times higher than the skilled labor in the shipyards of any other country in the world, and that alone is a bar to the building in this country of ships to go into foreign trade.

In addition to that extra cost, our marine laws, as I have pointed out, provide that all officers must be American citizens, and although it is a fact that our shipowners can go into other countries of the world and employ the balance of their labor, our labor laws and regulations make it impossible to do that, for the reason that the officers on board a ship under our flag will not work with a foreigner until he receives the American scale of wages.

And again, there is not an important country in the world, except the United States, that does not pay a subsidy to her ships. And with that difference in the cost of construction, and the great additional cost of labor in operating, and the subsidy received by the competitor, it is impossible for an American citizen or the United States Government to engage in for-

oreign shipping to-day in a successful manner. That is my objection. [Applause.]

And I say that your \$50,000,000 appropriated to purchase ships at this time, when the whole world knows the conditions are abnormal in cost of living, in cost of production, and in every cost all over the world, is nonsense. These plants that you have proposed you could well defer until a time when you could raise revenue.

We object to your direct tax, gentlemen. That is the difference between the Republican Party and the Democratic method of raising revenue to meet the normal or the ordinary running expenses of the Government. We propose a protective tariff law that will build up our institutions in this country and furnish employment to American labor, in order that that American labor and our American citizens will have more purchasing power to buy the agricultural and manufactured products produced in this country, instead of encouraging both capital and labor in foreign lands. [Applause on the Republican side.]

The CHAIRMAN. Without objection, the pro forma amendment will be withdrawn, and the Clerk will read.

The Clerk read as follows:

TITLE II.—EXCESS-PROFITS TAX.

SEC. 200. That when used in this title—

The term "corporation" includes joint-stock companies or associations, and insurance companies;

The term "United States" means only the States, the Territories of Alaska and Hawaii, and the District of Columbia; and

The term "taxable year" means the 12 months ending December 31, except in the case of a corporation or partnership allowed to fix its own fiscal year, in which case it means such fiscal year. The first taxable year shall be the year ending December 31, 1917.

Mr. MOORE of Pennsylvania. Mr. Chairman, I move to strike out the last word.

It was stated recently by the gentleman from North Carolina [Mr. KITCHIN] that Republicans are as much responsible for this legislation as are the Democrats; that they are responsible for the preparedness agitation equally with our friends upon the other side. He has overlooked a number of very material facts, to which I desire to call the attention of the committee.

Our President was the original peace President, so far as the present agitation for preparedness is concerned. It will be recalled that the fires had to be burned under the President of the United States before he became an advocate of preparedness. One or two of his earlier messages in this House declared for peace, and I am inclined to think that those addresses converted a number of Democrats to the theory of peace, to a firm and abiding faith in the peace policy. But a change came over the dreams, even of the President of the United States, and on December 7, 1915, he came into this House and, addressing the Members of the Senate and House, said in support of a plan for the armanent of the United States and for the increase in the Navy and military forces:

The obvious moral of the figures is that it is a plain counsel of prudence to continue all of the present taxes—

That is to say, the direct taxes that were levied because the customs taxes had failed, owing to the Democratic tariff law—or their equivalents, and confine ourselves to the problem of providing one hundred and twelve millions of new revenue rather than two hundred and ninety-seven millions.

The President was confronting a condition that was not anticipated when the customs revenues were cut down. It was a condition for which Republicans were certainly not alone responsible. The country had been talking about preparedness when the President was talking peace. The President drifted into the preparedness business in response to a sentiment that had been gradually arising in the country. When at last the President turned to preparedness the Government was financially embarrassed, and so the President, finding himself unable to proceed with his program, put the usual question:

How shall we obtain the new revenue?

It was the usual Democratic question.

We are frequently reminded—

Said the President—

that there are many millions of bonds which the Treasury is authorized under existing law to sell to reimburse the sums paid out of current revenues for the construction of the Panama Canal, and it is true that bonds to the amount of approximately \$222,000,000 are now available for that purpose. Prior to 1913 \$134,631,980 of these bonds had actually been sold to recoup the expenditures at the Isthmus, and now constitute a considerable item of the public debt.

The President knew he had authority to issue bonds to meet the then existing indebtedness, but the President did not want to issue bonds, because he said:

But I, for one, do not believe that the people of this country approve of postponing the payment of their bills. Borrowing money is short-sighted finance. It can be justified only when permanent things are to be accomplished which many generations will certainly benefit by and which it seems hardly fair that a single generation should pay for. The objects we are now proposing to spend money for can not be so

classified, except in the sense that everything wisely done may be said to be done in the interest of posterity as well as in our own. It seems to me a clear dictate of prudent statesmanship and frank finance that in what we are now, I hope, about to undertake we should pay as we go. The people of the country are entitled to know just what burdens of taxation they are to carry, and to know from the outset, now. The new bills should be paid by internal taxation.

I repeat, the President did not want to issue bonds; he told the Congress how his new internal revenue was to be raised. It was to be raised by taxing gasoline, by taxing the horsepower of automobiles, by taxing internal-explosion engines, and by taxing bank checks.

The Democratic Party, and particularly the present floor leader of the party, did not agree with the President as to the new forms of taxation which the President suggested. The Democratic leader, however, did then agree with the President, as he does agree with the President now, that no bonds should be issued—but bonds are to be issued. The time has come when, in the ordinary course of events and under the conditions of delinquency that prevail, the President of the United States and the Democratic leader both are obliged to come to this House and to the country and to succumb to the issuing of bonds. It is the last blow, but they have to come to it.

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. MOORE of Pennsylvania. Mr. Chairman, I ask unanimous consent for three minutes more.

The CHAIRMAN. The gentleman from Pennsylvania asks unanimous consent to continue for three minutes. Is there objection?

There was no objection.

Mr. MOORE of Pennsylvania. Who was it that brought about this new condition in the Congress of the United States? What part did the President play in it? The President himself started on a preparedness journey over this country in January of last year, just one year ago. He toured the country, not in the interest of peace, which he had previously advocated in this House, but he toured it in the interest of preparedness. The gentleman from Oklahoma [Mr. FERRIS] yesterday indicated that we on this side of the House were responsible for this.

Mr. FERRIS. Mr. Chairman, will the gentleman yield?

The CHAIRMAN. Does the gentleman from Pennsylvania yield to the gentleman from Oklahoma?

Mr. MOORE of Pennsylvania. I can not in three minutes.

The President started this agitation in New York on January 27. He imbued the warlike spirit there. Then, next he spoke in Pittsburgh, where he found the country in great danger. At Cleveland the sparks of the great conflagration were beginning to fly all around. Then he went on to Detroit and to Chicago and Des Moines and Kansas City and St. Louis, and by the time he got back to Washington he was thoroughly convinced that the whole country was on the verge of a volcano and that we must prepare for war.

My friend from Texas Mr. DIES over there did not agree with him then. I do not know whether he agrees with him now or not, because the gentleman from Texas was a consistent advocate of peace. But the President of the United States drove the people of the country into the thought that we must have a larger Army and a larger Navy in the United States.

Still the President did not want to issue bonds. He did not want to go down in history alongside of the only two Presidents who ever did issue bonds to meet the current expenses of the Government. But this bill as presented by the able gentleman from North Carolina [Mr. KITCHIN] does at last put the President in the historic group of bond-issuing Presidents. He stands now with James Buchanan, the first Democrat who was obliged to issue bonds to meet the current expenses of the Government, and with Grover Cleveland, the second President who was obliged to issue bonds for the same purpose. So, gentlemen, we have the "trinity of Buchanan, Cleveland, and Wilson," the three Democratic presidential proofs of the incompetency of the Democratic Party to run this Government in times of peace without issuing bonds to pay the current expenses. [Applause on the Republican side.]

The CHAIRMAN. The time of the gentleman from Pennsylvania has again expired.

Mr. DIES. Mr. Chairman, if I vote for this bill, as I may do, it will not be because I am for the bill, because it is as bitter a pill, if I swallow it—and I never know when my stomach is going to rebel against a bitter pill—it will be the bitterest pill I have ever swallowed in this House. [Applause and laughter on the Republican side.] Not that I have any sympathy with your objections to it over there. [Laughter on the Democratic side.] My objection to this bill is because it proposes to raise money to increase the expenditures for the Army and the Navy and fortifications, which I think are large enough already.

When the fortification bill came on I did not find any Republicans to speak of that were against it. You were pushing us into that expenditure. The debate on this bill has conclusively shown to me that you want to appropriate the money, that you are going to vote for the Army increases and for the Navy increases. You are not in sympathy with my position, which is that the money is to be worse than wasted. You give me no encouragement in my effort to prevent this great peaceful Republic from being converted into a military Government. You are pushing preparedness advocates on this side of the Chamber into every sort of expenditure.

Your objection to the bill is that you do not want the money to be taken from the pockets of the wealthy. You want it to be taken by a consumption tax. You do not want to tax a man in proportion to the wealth that he owns in this world, but in proportion to the shoes and clothes and raiment and food that he wears and eats.

If I vote for this bill, it will be to prevent you from inflicting upon this Government a tax not according to the wealth of the people, but according to their wants. [Applause on the Democratic side.] If you can show me the slightest prospect of holding the Army and the Navy bills down to the appropriations of last year, there is not any force in this world to make me vote for this bill to raise revenue to increase those appropriations. But you have notified me and you have notified the country that you intend to vote for the Army and Navy increase, and between you and me there can be nothing in common, because you want to raise the money by means of a protective tariff and I am opposed to that way of raising the revenues to run this Government. I would rather take the money to be raised by this bill and carry it out into the ocean and dump it there than to spend it to convert this peaceful Republic into a military government. [Applause on the Democratic side.] But seeing that you are determined to increase the appropriations, seeing that nothing will satisfy your souls but to constantly increase these appropriations for the Army and the Navy, you leave me no choice except to help select the method of the taxation itself. And, you know, I get a sort of grim, unstatesmanlike satisfaction out of this thing that I am compelled to swallow—this thing that stinks to heaven [laughter]—and that is in the reflection that this unjust tax, this revenue bill to raise the money for a needless waste of the substance of the people, comes very largely from those who have howled this country into this hysteria about preparedness.

I had the honor to make a little speech over here in New York at the beginning of this row, and I told them then they would pay the bill, and I told them that I knew of no better way to stop this needless waste of public treasure for the building of great armaments and the building up of a great standing army in this country than by taxing those people who have the influence over, who have the control of, the public press of the country, those who are the high and mighty ones, than by making them go down and get their money. [Applause on the Democratic side.]

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. DIES. I ask unanimous consent, Mr. Chairman, to proceed for five minutes. I have not occupied any time in the general debate.

The CHAIRMAN. The gentleman from Texas asks unanimous consent to proceed for five minutes. Is there objection? There was no objection.

Mr. DIES. I believe in this Republic. I believe in it as a student of history, and I have small patience with those who proclaim that it is now following out the genius of the founders of this Government. This year we will spend in preparedness, so called, more money than any civilized nation ever spent in time of peace on an army and navy and fortifications in two years. We need not make wry faces at Germany. And I want to tell this House something else. From \$95,000,000 that you spent for the Army two or three years ago you now propose to spend approximately \$400,000,000, and you are not getting an army. You are not going to get an army, my friends. No nation in this world ever in time of peace could have a large standing army without compulsory military service. France, after the war of 1870 with her neighbor, Germany, could not get Frenchmen to go into the army except under compulsion. Germany, with all the love of her population for the fatherland, could not get a large standing army without compulsory military service. No nation upon this earth that ever did exist was able to maintain a large standing army in time of peace without putting the shackles on the young men of the country and driving them into military service under a compulsory system. You talk about raising the money to have a standing army in this country. What have you got to-day? You could not get the 20,000 men that you appropriated for in

the last Congress. You can not get them. You can not get them to go into the standing Army of this country. You have not got it to-day, and you can take all the wealth of this country that you can wring from the blood of the commerce of this country, first through one system of taxation and then through another; you may tax incomes, you may tax inheritances, you may tax profits, you may go to the farm, you may exhaust every source of revenue in this country by taxing them all, and you can never have a standing army until you have compulsory military service. And the reason why I wish to throw myself across the path of this thing is because I see it coming. The President says his mind on this question is to let. Every general, every admiral, every military expert in the country will tell you that compulsory military service is coming. They are only fertilizing the field by heavy taxation to-day. Tomorrow they will be here to test you on the question of passing a compulsory military service bill in this Congress. I will join a Republican against it, as I would join the Republican Party now against this bill if they did not propose to give us a worse one to accomplish the same purpose. If the Republican Party stood here to-day to say that these needless expenses should stop, and if they asked me to join with them in that purpose, I would do so at all hazard; but you Republicans only ask me to help you defeat one form of revenue in order that you may fasten a more onerous one in its stead upon the country. That is the trouble with you.

As I say, it gravels me like hell to vote for this bill. I am not deceived into believing that the rich will pay all of this tax. We Democrats, when we opposed the tariff tax, were accustomed to say that the big corporations paid the tax at the customhouse and then put it on the consumer when he bought the boots, or the iron, or the steel, or the clothes, or the other things that he consumed. Just so it will be with this tax. When you take from the Bethlehem Steel Co., when you take from the United States Steel Corporation, when you take from the other great corporations of this country the money which will be paid in taxes under this bill, wherever they are able—and in most cases they will be able to do it—they will pass it on down to those who toil in the fields and work in the workshops of this country, just as they pass down every other tax. But with all of its iniquity it is not so bad as the one you Republicans would give us in its stead; and if I vote for it, it will not be because I love it, for I detest it. It will be not that I love Caesar less—I do not love anything involved in this situation—it will not be because I despise it less, but because I despise your substitute more. [Applause and laughter.]

Mr. KITCHIN. Mr. Chairman, we have had four speeches this morning not directly on the amendment, and I believe it is the tacit understanding that we shall now proceed to offer bona fide amendments, to discuss the merits of the amendments, and to vote on them.

Mr. LONGWORTH. Mr. Chairman, a parliamentary inquiry. The CHAIRMAN. The gentleman will state it.

Mr. LONGWORTH. Is it proposed to read this bill by sections or by titles?

Mr. MANN. By sections.

The CHAIRMAN. The understanding of the Chair is that the Clerk will read the bill by sections.

Mr. MANN. The first section and title were identical. I think it should be read by sections, although it is customary to read such bills by paragraphs.

Mr. KITCHIN. The other bills have been in sections and paragraphs, and this is in sections and titles.

Mr. LONGWORTH. Then I desire to inquire at what point will a motion be in order to strike out the sections included in Title II?

Mr. KITCHIN. The gentleman, I think, could do that when the last section was read.

Mr. MANN. I think under the rules of the House it would require a separate motion on each section, but I ask unanimous consent that it may be in order at the conclusion of the reading of Title II to move to strike out all of Title II.

Mr. KITCHIN. I agree to that. That will be all right.

The CHAIRMAN. The gentleman from Illinois asks unanimous consent that after the reading of the sections under Title II it shall be in order to strike out all of those sections. Is there objection?

There was no objection.

Mr. MEEKER. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. MEEKER. In case that question is put to a vote and Title II is not stricken out, then will it be in order to offer amendments to the sections?

Mr. KITCHIN. The gentleman can do that as each section is read.

The CHAIRMAN. Amendments to the sections under Title II will be in order as each section is read.

Mr. BENNET. Mr. Chairman, I move to strike out the words "and insurance companies" in line 25, page 2.

The CHAIRMAN. The gentleman from New York offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment by Mr. BENNET: Page 2, line 25, strike out the words "and insurance companies."

Mr. BENNET. Mr. Chairman, the gentleman from North Carolina spoke about putting these taxes on the larger and more competitive business interests of the country. Without commenting at all about that portion of his speech, I call the attention of the House to the fact that insurance companies do not come under that head. I call the attention of the gentleman from Texas [Mr. DIES] who just spoke so feelingly on the matter that here is a provision which puts the tax directly and immediately upon the poor people, for of course insurance companies are the medium through which people not of the wealthier classes, as a rule, but people of the business classes, the lesser business classes, the mechanics, the clerks with small incomes, make some provision for those whom he hopes will live after him. The farmer relies to a very large extent for supplementing his revenue upon the insurance policy. It is proposed by this unnecessary inclusion of insurance companies to impose these high taxes immediately upon every holder of a life-insurance policy in the United States of America, mutual, corporate, and every other form. It does not seem to me that the amendment requires any extended discussion; the point is so obvious that I hope the House will sustain the amendment and strike out these words.

I am opposed to the entire bill. It is a direct blow at the industrial life of the city and State which I represent in part. I hope that before this bill finally passes it will receive the attention both of our city and State governments. My colleague [Mr. FAIRCHILD], who represents our State on the Committee on Ways and Means, has taken the matter up with our legislature, and I hope that that body will put our State formally on record against this bill.

The field of Democratic blunder in revenue administration affords opportunity for indefinite criticism. I shall, however, under the circumstances of the present debate, confine myself to a single additional comment on this most recent handicap to American industry pending before us. The proposal of an excess profit tax of 8 per cent upon annual profits above 8 per cent might more accurately be described as a proposal to pauperize the States for the encouragement of Federal extravagance, to penalize industrial enterprise, to restrict reproductive industrial investment, lessen opportunity for employment, and raise ignorance of the conditions that conduce to national prosperity to a commanding position in national administration.

Personally, I object to raising revenue for the Nation by a deliberate and unnecessary invasion of the established domain of State taxation, while ignoring those easily ascertainable, collectible, and equitable and exclusive sources of Federal impost which have historically yielded returns commensurate with our needs, without unduly burdening our citizens or trespassing upon the subjects of direct tax, where our States alone find substantial support.

The report of the State tax commission of my own State presents very clearly the difficulty which the richest Commonwealth of the Union is finding in securing sufficient revenue to meet its requirements. During the years between 1890 and 1915, while my own State has experimented in indirect taxation, there has been only five years in which it was not necessary for the State to levy direct taxes in addition to the immense revenue which its unique situation and resources enable it to obtain by indirect means. The cost of State government is growing like that of national government, but if a Commonwealth possessing the exceptional resources of the greatest commercial and industrial wealth in the Union is compelled to admit that its efforts to secure sufficient revenue from indirect taxation is a special failure, what will be the effect of this last and greatest step in the field of direct Federal taxation upon those poorer Commonwealths whose industrial life is yet in its infancy? I admire the courage, the enterprise, and I applaud the success of the southern manufacturer, who, in the face of many discouraging circumstances, is contributing so much to the development of our southern Commonwealths under many adverse conditions. Yet I can not perceive how the nascent industry of the South, in whose development I take as great a pride as I do in that of my own great State, can hope to at once contribute to the needs of the State and survive the burden of this last Democratic handicap upon industrial progress.

Let me direct the attention of the majority to a pamphlet entitled "Assessed valuation of property and amounts and

rates of levy for the years 1860 to 1912." It was compiled by a present member of the Federal Trade Commission, the Hon. William Harris, then head of the Bureau of Census. On page 41 you will find the tax rates of all the States for 1912. You will perceive these rates range from \$1.02 per \$100 of assessed value in Kansas to \$4.73 per \$100 in New Mexico. It is generally admitted that rates have now risen approximately 25 per cent between 1912 and 1916.

It is therefore safe to assume that corporate business is presently paying to the States upon assessed value an average rate of not less than 2½ per cent for State, county, and local purposes. To this you now add a 2 per cent net corporate income tax, a tax of 50 cents per thousand upon the value of each corporation's stock issue above \$99,000. If the industrial organization contributes in any way to what you have termed "munition" manufacture, it pays upon the profits derived from these sources 12½ per cent, and to this you now add an excess profit tax of 8 per cent upon all net income above 8 per cent. Can the gentleman believe that as a business proposal the subject of impost can bear this load and yet adequately bear the burden which the State must impose?

If you tell me that State appraisal is faulty, I can answer in the light of experience that increased valuation has never decreased a tax rate, because history, especially in New York City, demonstrates that valuations are increased only for the purpose of raising revenue at a prevailing rate.

Moreover, let me call your attention to a fact which your own experience must verify. Individuals largely escape personal taxes. Corporations can not. State legislatures pursue corporations until they secure adequate personal-tax returns. The States are therefore getting from corporate property substantially all it is within their power to get. In New York, Ohio, California, and Massachusetts they are taxing corporate franchises as well as their real and personal property. Even now the State of California is so impressed with the danger of the present conflict between State and Federal taxes that the State tax commission has recommended a convention of all the States to urge upon this Congress a definite plan of separating State and Federal fields of taxation.

For years the gentlemen of the majority have proudly acclaimed themselves the peculiar guardians of the States' rights. To-day they are coming dangerously near being State pickpockets. The great field of taxation upon exports is forever closed to the States. Are you forever closing it to the Nation? It was exclusively yielded to you not only to protect each State against the imposts of the other but to give you a field of revenue that would prevent you from unduly trespassing upon the only means by which our 48 Commonwealths can sustain their public necessities.

If you are not impressed with the dangers which lie in killing the industrial goose that lays the golden eggs of Federal support, I appeal to that sense of reiterated regard for the rights of the State which should at least keep you from taking all the eggs.

By the form of the excess-profit tax you lay your extraordinary burdens upon manufacture and merchandising, because these forms of business are largely conducted in corporate form. You are substantially exempting agriculture, doubtless in the belief that you can gull the farmer into believing that you rid him of your additional tax burdens. Yet he must buy what others make to meet his needs, and if they can not translate their tax they themselves can not ultimately pay it. You undertake to hide your tax in the farmer's plow. You dare not write it where he can see it and realize that congressional extravagance is exacting tribute from every household.

Surely the gentleman recognizes that the larger processes of industry and commerce can be successfully carried on only in corporate form, yet you are arbitrarily discriminating, by the very form of your measure, between the doing of business in corporate as distinguished from individual capacity. If it is your deliberate determination to discourage the corporate form of business, you have adopted the best means of doing so. If it is your idea to turn back the hands of time, to place a premium upon the disintegration of business combinations and encourage the formulation of new schemes, to return to individual modes of doing business and place in every man's hands rudimentary tools for doing business the size of ours, I congratulate you on the method you are adopting. If you want to turn us back into a Nation that uses a hand shovel instead of a steam shovel, an ox cart instead of a railroad train, a hand flail instead of a thrasher, you do well to exert your power to penalize business in corporate form and give tax exemption to those who do it in individual capacity.

It must be equally obvious that if you overburden existing enterprise, you operate to restrict its extension and exercise birth control over the growth of the business family.

But your philosophy is false. Your excess-profit tax is not an excess-profit tax, as its title would suggest. In actual operation it would prove to be a tax upon not merely normal but often sub-normal profit, for your plan utterly ignores the practical and varying risk of all forms of business which necessarily rely upon the larger return of their successful years to meet the actual and probably lessened returns of leaner years. Thus a corporation may show net profits of 12 per cent this year. On 4 per cent of that you would charge an excess-profit tax, yet if last year their profit was 8 per cent, in the preceding year 6 per cent, and in the year before that 4 per cent, you will perceive that their average profit during the four-year period was but $7\frac{1}{4}$ per cent. Can gentlemen with any practical judgment believe that in such conditions there is any opportunity for the accumulation of a protective surplus or any assurance to investors?

Most of all, can the gentlemen not clearly perceive that you are deliberately laying a penal tax upon the most valuable of national assets, initiative and energy, for you discourage bold enterprise and give your disapproval to the pioneer.

As a fundamental and general rule, risk and profit are closely associated. In stable, well-established lines of industry that particular business earns relatively small profits which tend to approximate correct interest rates. If an expansion of demand or changed conditions bring about higher returns, the entrance of new capital into the field tends to restore the old rate of income; and the safer the general character of the industry the more immediate will be the response of capital to any increase in established returns. We accept it as a general principle that the safest investment is usually the one that carries the lowest return.

On the other hand, high profits are associated with high risk. It is the pioneer—the man who carries the banner of industry where none or only a few dare follow—who makes the high profit while this period of high risk obtains. When the pioneer days are past and the industry becomes safe for general investment the profits of the pioneer fall, and for one pioneer who succeeds and who by success adds to national prosperity and wealth and progress there are a hundred who fail.

At the present we need more than ever before the pioneer spirit to develop our national resources and to extend our trade to other lands. We never needed the fullest and freest exercise of the American qualities of invention, enterprise, initiative, and energy more than now. The safe, solid, and stable business will not normally return excess profits that would come under the proposed law. The tax will chiefly reach the pioneer. The very fact that the principle of taxing excess profits is accepted and established will go far to deter men from taking the risks necessary to develop new enterprise. Once the principle is established, who can tell what the particular rate of the tax will be, or whether in the hand of a radical government it might not amount to confiscation?

Upon particular classes of business the proposed tax will be an oppressive and unfair charge. The corporation organized to develop and manufacture patented articles is a special instance of the pioneer. Large sums may be spent in developing or acquiring the original invention. Oftentimes many of these preliminary expenses are not of such a character as can be capitalized in the form of stock, especially under the stricter class of State laws. From the beginning the whole venture is involved in the greatest risk, not only in the success of the particular invention but in finding a demand for it on the market. Recompense for all initial costs and risks must be secured in a limited term; that is, the life of the patent. After that the rules of competition will force the returns down to ordinary and normal levels of corporate income. To the excess profits over ordinary return, which are hoped to be secured during the life of the patent, the inventor and the promoter must therefore look for the chief inducement for their ingenuity and enterprise and risk. To such excess profits they also can properly look for reimbursement for losses in previous unsuccessful endeavor, as well as costs of experimentation and promotion. Such charges as these should fairly come out of the nominal profits accruing from any successful invention before it could be fairly said that actual profits exist.

Many of the same considerations apply to the business of mining, where much preliminary cost is often entailed and where the nominal yearly profits really represent a reduction of the value of the investment, inasmuch as ore once mined can not be mined again. Other businesses could be named in which, by their very nature, the above elements are present to a greater or less degree, and in which in all equity and fairness there should be charged to going profits items of either preliminary or prospective expense, or both. Where such conditions are inherent in the nature of the business, taxation of going profits becomes inequitable and directly affects the incentive for entering into such business in the first instance.

The excess-profit tax is, moreover, a proposal violating the most elementary principles of sound taxation. It is fundamental that a tax should be so laid as to be certain and regular in its return, that expenditures may be predicated upon it with security. The amount of excess profits within the terms of this measure is entirely conjectural. It will vary with the changing conditions of business, and the contraction and expansion of industrial returns will be followed by an inflation and deflation of the tax return within unknown limits. You not only can not rely upon any fixed amount of returns from this source but by its very nature your mode of taxation will tend toward the establishment of new expenditures that can not be sustained. You are deliberately setting on foot a scheme that promotes extravagance and expenditure resting upon conjectural returns.

The chairman of the Ways and Means Committee has not hesitated to frankly declare that the burden of this tax will fall north of Mason and Dixon's line. He is among the first to deplore the introduction of sectionalism into political discussion, yet he has been the first to make sectional tax burdens the subject of an appeal to political constituents. The gentleman and his associates apparently blind themselves to the most patent facts of economic relation. Sectionalism persists only in the mind and conduct of the gentlemen who use their control of government to penalize industry in the erroneous belief that they can unduly burden any part of this country without compelling the section from which they come to participate in the penalties which they impose. Southern cotton is spun by northern mills; northern capital is pouring into southern factories. The agriculture of the South finds its largest customers in the more populated States of the North and Middle West. All the forms of communication which give value to our common life represent the common investments of the Nation. So intimate has become the relationship between all the parts of our business being that an injury done to industry that lessens its buying, employing, or producing power is reflected in every section of the Nation. Imperil the credit that underlies the great banking centers of my own State and the smaller establishment that ministers to the needs of a southern constituency trembles on its foundations. Handicap the operation and extension of the mills of the North and you do it at the expense of the planter of the South. The political bigotry that permits the gentlemen of the majority to believe they can work injury to a constituency other than their own and profit by it does as little credit to their intelligence as to their sense of justice.

For 10 years gentlemen have done what they could to wreck the New York Cotton Exchange. They have injured it to some extent, but how much more have they injured themselves?

There was no support in the cotton market this morning. Gentlemen had worked their will on the New York Cotton Exchange, but the cotton farmer of the South who saw his product drop \$25 a bale is probably wondering what his Representatives have gained for him by their fight against free trading on our exchange.

Mr. FULLER. Mr. Chairman, it seems to me that the amendment offered by the gentleman from New York will not accomplish the object which he desires. Even if you strike out insurance companies, I think they would be included under the terms "corporation" and "joint-stock companies." I suggest a further amendment to section 201, page 3, lines 17 and 18. If you strike out, after the word "insurance," the words "combined in one policy issued on the weekly premium plan," you will exempt life insurance companies.

Mr. BENNET. I will say that my colleague from New York [Mr. DEMPSEY] has that amendment prepared, and I believe the gentleman from Pennsylvania [Mr. MOORE] has also one prepared.

Mr. FULLER. I have an amendment of that kind which I proposed to offer, but if you cover the ground I have no objection. All I want is to see that life insurance companies are exempt, because that interests more than half of the people of the United States.

Mr. BENNET. If the gentleman will state his substitute, perhaps it is preferable to mine.

Mr. FULLER. My amendment is to strike out, in lines 17 and 18, page 3, after the word "insurance," the words "combined in one policy issued on the weekly premium payment plan."

The CHAIRMAN. That amendment is not in order until that section has been read.

Mr. PARKER of New Jersey. Mr. Chairman, I have an amendment to the amendment offered by the gentleman from New York. I offer as a substitute for the amendment of the gentleman from New York the words "insurance companies excepting purely mutual insurance companies."

Mr. BENNET. The gentleman's amendment is not a substitute, although it is a preferential amendment.

The CHAIRMAN. The Clerk will read the amendment.

The Clerk read as follows:

Amend the amendment, page 2, line 25, by adding, after the word "companies," the words "excepting purely mutual companies."

Mr. PARKER of New Jersey. Mr. Chairman, the business of mutual insurance is one that is carried on entirely for the benefit of the people. Not a dollar goes into the hands of any stockholder or corporation. The moneys that are received are all paid in by the people interested as their share of the business of the company. The money paid out is of the following classes: Their expenses of the business, which would be deducted under all circumstances. The return premiums, which are especially ordered to be deducted. Page 15 of the act, at the end of section 12, has this deduction:

And life insurance companies shall not include as income in any year such portion of any actual premium received from any individual policyholder as shall have been paid back or credited to such individual policyholder, or treated as an abatement of premium of such individual policyholder.

But, besides this, every life insurance company has to put by in what they call a reserve parts of the premium, or of their interest on investment, as a reserve for the payment of policies which do not belong to them. As long as that reserve remains in their hands there is not a dollar that goes to that company as profits. Nevertheless, under the old law the Secretary of the Treasury tried his best to hold that all receipts by the companies for the benefit of the policyholders and to be returned to the people should be charged as their income; whereas these are the policyholders' payments for their own benefit on their policies, which is all going to be returned to the policyholders. I see no reason why mutual companies doing a purely mutual business should be taxed as if they were making profits, because if they do a large business they are receiving millions of dollars in premiums and not paying out so much in losses, because they had to put the money by in a reserve. The companies are saving for the people, not for themselves. It is not profits; it is a charity done for the whole people of the United States, which had to be put under careful laws to see that it was executed rightly. That is done under the laws of the several States in order to do justice to the people and so that the companies shall not make profits for anyone. I ask, therefore, that purely mutual companies shall be exempt from the extra profit tax, because in justice they make no profit whatever. [Applause.]

Mr. KITCHIN. Mr. Chairman, the whole question is whether mutual companies be excluded from the operation of this tax. The Chairman will notice that in line 25, page 2, the words "insurance companies" are used, and section 201, page 3, in line 15, is another place where an amendment can be offered to except mutual insurance companies.

I ask unanimous consent that amendments to section 201 and section 200 with respect to excepting mutual insurance companies be considered together, and that all debate on the two sections and all amendments thereto be closed in 20 minutes, 15 minutes to be controlled by the gentleman from Pennsylvania [Mr. MOORE] and 5 minutes by myself.

Mr. MANN. Section 201 has not yet been read.

Mr. KITCHIN. I ask unanimous consent that that be considered, because if one amendment is adopted the other ought to be. One is dependent upon the other, and I think we can save time in this way and put it more clearly before the House.

Mr. PARKER of New Jersey. Mr. Chairman, it seems to me that we can dispose of this particular amendment first.

Mr. KITCHIN. They are interdependent. If one section is amended, the other ought to be.

Mr. PARKER of New Jersey. We want to determine whether this will include mutual companies.

Mr. KITCHIN. I know; but this will come up in my request.

Mr. PARKER of New Jersey. I ask for a vote upon my amendment first.

Mr. MOORE of Pennsylvania. Mr. Chairman, I will ask the gentleman from North Carolina whether he intends to insist on the bill as it is written?

Mr. KITCHIN. Yes.

Mr. MOORE of Pennsylvania. The gentleman will oppose an amendment to either section?

Mr. KITCHIN. Yes.

Mr. MOORE of Pennsylvania. I understand we can not agree upon that?

Mr. KITCHIN. We can not.

Mr. MOORE of Pennsylvania. I intended to offer an amendment to section 201 along the line that other gentlemen have mentioned. What is the gentleman's request as to time?

Mr. MANN. This is what the gentleman desires to do—to ask unanimous consent that section 201 may be read, and that amendments may be in order then to both sections, sections 200 and 201.

Mr. KITCHIN. Yes; and with a further request that all debate upon the sections and amendments thereto close in 20 minutes, 15 minutes to be controlled by the gentleman from Pennsylvania [Mr. MOORE] and 5 minutes by myself.

Mr. MANN. I think there ought to be more than 20 minutes of debate allowed.

Mr. KITCHIN. Make it 25, and the gentleman from Pennsylvania to control 20 minutes and I to control 5.

Mr. MOORE of Pennsylvania. Mr. Chairman, can not the gentleman make it half an hour?

Mr. KITCHIN. Well, one-half an hour—20 minutes to be controlled by the gentleman from Pennsylvania and 10 minutes by myself.

Mr. MANN. This side would like to have 30 minutes.

Mr. KITCHIN. Let us put it at 25 minutes for that side, and I will control 5 minutes.

The CHAIRMAN. The gentleman from North Carolina asks unanimous consent that section 201 may be read at this time, that amendments to sections 200 and 201 shall be in order, and that all debate upon the two sections and all amendments thereto shall close in 30 minutes—25 minutes to be controlled by the gentleman from Pennsylvania [Mr. MOORE] and 5 minutes by the gentleman from North Carolina [Mr. KITCHIN]. Is there objection?

Mr. LONGWORTH. Mr. Chairman, I reserve the right to object.

Mr. BURNETT. Mr. Chairman, reserving the right to object, I desire to propound a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. BURNETT. Mr. Chairman, as I understand the request that applies only to amendments affecting insurance companies?

Mr. KITCHIN. Yes.

Mr. BURNETT. I would not object to that, but I have an amendment to the \$5,000 exemption which I desire to offer.

Mr. STAFFORD. As I understand the request it is that debate shall close upon all amendments.

The CHAIRMAN. Does the Chair understand that the gentleman from North Carolina desires to limit debate upon all amendments or upon only those that relate to insurance companies?

Mr. KITCHIN. Mr. Chairman, I would like to have it upon all amendments. Why not offer the amendment at this time, I will ask the gentleman from Alabama?

Mr. BURNETT. I want five minutes upon it.

Mr. KITCHIN. Very well. Make it 35 minutes, 5 minutes of that time to be given to the gentleman from Alabama upon his amendment.

The CHAIRMAN. The gentleman from North Carolina modifies his request, that the debate may conclude in 35 minutes, 25 minutes of that time to be controlled by the gentleman from Pennsylvania [Mr. MOORE] and 10 minutes to be controlled by the gentleman from North Carolina [Mr. KITCHIN]. Is there objection?

Mr. LONGWORTH. Mr. Chairman, reserving the right to object, I desire to offer an amendment, which, I think, will not be objected to by the gentleman from North Carolina. I desire to add to section 200, as it now stands, after the words "insurance companies," the words "but not building and loan associations." I would like to ask the gentleman whether it is his intention to oppose an amendment of that kind?

Mr. KITCHIN. Building and loan associations are already excepted. This bill excepts all corporations, insurance companies, and joint-stock companies that are exempted and excepted under the income-tax law. It does not apply to what the gentleman has in mind.

Mr. LONGWORTH. Under those circumstances I do not wish to offer the amendment.

Mr. KITCHIN. Those are exempted under the present law.

Mr. LONGWORTH. I wanted to be perfectly certain that they were not included here.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina? [After a pause.] The Chair hears none, and the Clerk will read section 201.

The Clerk read as follows:

SEC. 201. That in addition to the taxes under existing laws there shall be levied, assessed, collected, and paid for each taxable year upon the net income of every corporation and partnership organized, authorized, or existing under the laws of the United States, or of any State, Territory, or District thereof, no matter how created or organized, excepting income derived from the business of life, health, and accident insurance combined in one policy issued on the weekly premium-payment plan, a tax of 8 per cent of the amount by which such net income exceeds the sum of (a) \$5,000 and (b) 8 per cent of the actual capital invested.

Every foreign corporation and partnership, including corporations and partnerships of the Philippine Islands and Porto Rico, shall pay for each taxable year a like tax upon the amount by which its net income received from all sources within the United States exceeds the sum of (a) 8 per cent of the actual capital invested and used or employed in the business in the United States, and (b) that proportion of

\$5,000 which the entire actual capital invested and used or employed in the business in the United States bears to the entire actual capital invested; and in case no such capital is used or employed in the business in the United States the tax shall be imposed upon that portion of such net income which is in excess of the sum of (a) 8 per cent of that proportion of the entire actual capital invested and used or employed in the business which the net income from sources within the United States bears to the entire net income, and (b) that proportion of \$5,000 which the net income from sources within the United States bears to the entire net income.

Mr. MOORE of Pennsylvania. Mr. Chairman, should amendments be introduced now or as gentlemen are recognized?

The CHAIRMAN. The Chair will recognize anyone for an amendment to the section now.

Mr. MOORE of Pennsylvania. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. MOORE of Pennsylvania. Is the amendment of the gentleman from New Jersey still pending?

The CHAIRMAN. Yes; there are two amendments pending—the amendment offered by the gentleman from New York and the amendment offered by the gentleman from New Jersey.

Mr. MOORE of Pennsylvania. Then, Mr. Chairman, I offer the amendment which I send to the Clerk's desk.

Mr. STAFFORD. Mr. Chairman, I ask unanimous consent that the two pending amendments may be again reported.

The CHAIRMAN. The Chair will put the request after the Clerk has reported the amendment offered by the gentleman from Pennsylvania.

The Clerk read as follows:

Page 3, line 18, after the word "plan," insert the words "and from the business of life insurance companies issuing policies upon the mutual plan."

Mr. MOORE of Pennsylvania. Mr. Chairman, the purpose of this amendment is to relieve the mutual life insurance companies of the taxes which would otherwise be imposed by this bill. I understand that certain mutual companies are not included in the income-tax law but the mutual life companies are, and it would be an unnecessary hardship upon the members of those associations who participate in the distribution of their own money to have this 8 per cent tax added. There are no profits, as such, arising from the business of a mutual insurance company. The money is paid in by the members and it is returned to the members, and there are no such profits or accretions as are usually regarded as profits in a business concern. When the income-tax law was before the House the thought generally was that the mutual companies should be excepted and certain mutual companies were excepted in the law.

Mr. FULLER. Will the gentleman yield?

Mr. MOORE of Pennsylvania. I will.

Mr. FULLER. Would it not be well to have an amendment where you mention policies issued on the mutual plan to say "or participating companies that are not purely mutual issuing participating policies," so that the dividends and earnings go to the insurer? It might not be a mutual company and yet issue participating policies.

Mr. MOORE of Pennsylvania. It seems to me that question would be covered by the amendment that is already at the Clerk's desk.

Mr. FULLER. I think it would be better to say mutual or participating policies, and there are many such.

Mr. MOORE of Pennsylvania. It might tend to complicate the situation as involving stock companies. If the gentleman thinks "participating" would not prejudice the mutual feature of it, I have no objection, but I hope the gentleman will discuss that matter when his time comes to discuss it.

Now, the whole theory of the mutual life insurance companies, as I understand it, is to relieve a community or a State of a very great burden—that of caring for the poor and the distressed. It is a theory that holds in foreign countries, particularly in England, and it is the basis upon which these mutual companies are organized and conducted in the United States. A great deal has been said about what England does in matters of this kind. I am informed that England, which was the parent of income-tax legislation, exempts one-sixth of the amount of income if devoted to life insurance. If a man dies without insurance and leaves a widow and a family of children, their only recourse, if they are dependents, is to go to the State, and the State must bear the burden of their maintenance. The mutual company steps in by virtue of the contributions of its members and relieves the State of the burden of taxation that must necessarily ensue if such independent provision were not made for the maintenance of the widow and the orphans or the beneficiaries of the family. I do not care to make a lengthy statement on this subject, except to say that it is a

matter of economy to any government, State or National, to have these insurance companies established with a view of encouraging the members to take care of themselves in their dependency, and that is actually done.

Mr. BUTLER. Will the gentleman yield?

Mr. MOORE of Pennsylvania. I will.

Mr. BUTLER. Will the gentleman tell us to what extent the mutual companies are relieved from the operation of the existing law?

Mr. MOORE of Pennsylvania. Well, there are certain companies that are relieved, certain mutual companies, agricultural companies—

Mr. BUTLER. Yes.

Mr. MOORE of Pennsylvania. All mutual insurance companies, I think, except life, are exempt from the income tax.

Mr. BUTLER. Now, will the companies that are being relieved from taxation under the existing law be relieved under this law?

Mr. MOORE of Pennsylvania. I understand so. This bill brings in the mutual companies—I mean the life companies. Their taxes would be increased from 2 to 10 per cent. It is rank discrimination in this instance in the matter of mutual companies now intended to be included. Mr. Chairman, how much time remains of my 25 minutes?

The CHAIRMAN. Twenty-one minutes.

Mr. MOORE of Pennsylvania. I yield three minutes to the gentleman from Pennsylvania [Mr. FARR].

Mr. FARR. Mr. Chairman, I am in favor of the amendment excepting mutual life insurance companies from taxation under the provisions of this bill. This burden will fall particularly hard upon poor, struggling people who are endeavoring to carry insurance to provide for their families after their departure from this earth, and I think an exception ought to be made in such cases. In connection with this I desire the Clerk to read this telegram that expresses my views and the opposition of the agent of a very large insurance company in protest against this bill taxing those companies.

The CHAIRMAN. The Clerk will read the telegram in the gentleman's time.

The Clerk read as follows:

SCRANTON, PA., January 31, 1917.

HON. JOHN R. FARR,

Congress Hall Hotel, Washington, D. C.:

In behalf of mutual life insurance companies I desire to enter a protest against the passage of the Federal emergency revenue measure in its present form. I regard it as being unfair and unjust to them, and the reasons for this conclusion will be placed before you later. In the meantime please use your endeavors to secure a fair hearing for the companies on this measure.

J. D. JAMES.

Mr. FARR. I yield back any time I have not used.

Mr. MOORE of Pennsylvania. Mr. Chairman, I yield five minutes to the gentleman from New York [Mr. DEMPSEY].

Mr. DEMPSEY. Mr. Chairman, I would like for my amendment to be read first.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Page 3, lines 16, 17, and 18; in line 16 strike out the word "and" and insert "or" in place thereof, and in lines 17 and 18 strike out the words "combined in one policy issued on the weekly premium payment plan."

Mr. DEMPSEY. Mr. Chairman and gentlemen, the committee which prepared this bill has inserted an exception exempting policies where they are issued for life, health, and accident, combined, on the weekly payment plan. Now, that is a very proper provision; but if it is proper, then the amendment proposed is equally proper. The purpose of exempting the kind of policy which is exempted is to encourage those who otherwise would not provide for their families upon their death to take policies, and in that way leave something for those who would be left without means of support.

Now, is there any insurance which is not issued upon that basis? I think that you will all agree upon consideration that there is none. The man of small means, the salaried man, the workman take insurance policies for that reason, and for that reason alone; and for what reason does the man of large means take insurance? Why, he can not take it as an investment, because everyone concedes that you can do better in normal times, and much better in such times as this, by a great variety of investment. You can derive larger income in many ways than you can from insurance; and it is questionable whether you derive substantially any income at all from insurance. The man of large means takes insurance and takes it only because he is about to embark on large risks, and he wants in the event of his death or in the event of the miscarriage of the undertaking in which he is about to engage, to provide for that

casualty. I say to you now that what you should do is to extend this exemption so that the man of large means will be encouraged to promote prosperity, to undertake great undertakings, to employ labor, to take great risks, where he may win or may lose; and encourage the man of small means to take insurance, whether he takes it by this particular plan or by any other plan.

Mr. Chairman, I yield back the balance of my time.

Mr. MOORE of Pennsylvania. Mr. Chairman, I yield three minutes to the gentleman from New Hampshire [Mr. WASON].

Mr. WASON. Mr. Chairman, I would like to offer the following amendment to section 201 of the bill.

The CHAIRMAN. The gentleman from New Hampshire offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment by Mr. WASON: Page 3, line 18, after the word "plan," insert: "and further excepting income of every corporation or partnership authorized or existing under the laws of the United States or any State, Territory, or District thereof, that is divided annually among employees of such corporation or partnership."

Mr. WASON. Mr. Chairman, I hope the genial chairman of the Committee on Ways and Means will consider this helpful amendment to the laboring classes in our industries. He has professed, and his side of the House has professed, by frequent utterances, to be favorable to the laboring classes, and I desire to read a couple of lines from the Record, uttered by the distinguished gentleman from Oklahoma [Mr. FERRIS], in which he said:

What we—

Meaning Democrats—

are doing is providing that those people who pay and whose earnings yield an income of more than \$5,000 plus 8 per cent on their entire invested capital stock, net, shall pay this additional tax, and that the toilers, and farmers, and poor people of the country shall be exempt from it.

Those sentiments, I believe, are the sentiments of the chairman of this committee, and I want to say that the purpose of this amendment is this: In these days of prosperity many of the employers of labor who have been successful in the last two years in their business have seen fit, in addition to repeatedly raising the wages of their employees, to divide yearly a part of their surplus earnings with those employees. Under the bill as it stands before the committee at this time, without this amendment, a corporation which has cash on hand, accumulated as I have indicated, will have to pay the tax to the Government, and then they can divide the balance, if they wish, with their employees.

Mr. Chairman, I believe that the mite or the tithe that is taken from that fund that is about to be divided among the employees should not go to the Government of the United States but should go to the employee, and increase his dividend therefrom that much more.

I trust that my distinguished friend from North Carolina [Mr. KITCHIN] will note the purpose of this amendment, offered in the interest of the honest toiler, which he and I admire and are willing to aid in all matters that make for his benefit that are reasonable and right. It is from the toiler in these institutions that the money will be taken if this amendment is rejected. I trust the gentleman will accept it. [Applause.]

The CHAIRMAN. The time of the gentleman has expired.

Mr. MOORE of Pennsylvania. Mr. Chairman, I yield one minute to the gentleman from California [Mr. KAHN].

Mr. KAHN. Mr. Chairman, I have received a number of telegrams from California, from responsible citizens, in opposition to this provision of the bill. I ask unanimous consent that I may insert them in the Record.

The CHAIRMAN. The gentleman from California asks unanimous consent to extend his remarks in the Record by inserting the telegrams referred to. Is there objection? [After a pause.] The Chair hears none.

Mr. KAHN. Mr. Chairman, I yield back the balance of my time.

The following are the telegrams referred to:

SAN FRANCISCO, CAL., January 30, 1917.

Hon. JULIUS KAHN,
House of Representatives, Washington, D. C.:

Eight per cent tax proposed by Democrats on profits life insurance companies, less certain deductions, will seriously increase cost to policyholders, who have voluntarily protected themselves by taking out life insurance. In our opinion it is a tax on a man who is doing right thing by protecting dependents. Urge you vigorously oppose it.

GEORGE U. HIND,
GEORGE D. CLARK,
GEORGE A. MOORE,
VICTOR ETIENNE, JR.

LOS ANGELES, CAL., January 30, 1917.

Hon. JULIUS KAHN,
House of Representatives, Washington, D. C.:

The Pacific Mutual Life Insurance Co., a California institution, and the largest company of its kind west of the Mississippi River, pays a

large annual tax to the State of California of 2 per cent on its premiums. In addition to this, it pays a similar tax to each State in which it transacts business, besides many other license taxes, etc. In addition, it pays a Federal income tax of over \$18,000 a year, and this year an additional excise tax to the Federal Government of about \$2,500 on its capital stock. And it is now proposed by the new Federal income-tax bill to collect a further tax of 8 per cent on its profits, which would amount probably to about \$80,000 a year in addition. When you remember that the profits of a life insurance company are largely savings from mortality and earnings on reserves for the benefit of its policyholders which are returned to them, you will readily see that these so-called profits are not the kind of profits which this emergency tax is intended to reach. We submit that life insurance is already tremendously taxed, and that this additional tax is simply in excess of the limit. We ask you in the name of our policyholders, who are over 100,000 in number, to use your influence to exempt life and accident insurance companies from this unjust tax.

GEORGE I. COCHRAN,
President Pacific Mutual Life Insurance Co.

Mr. MOORE of Pennsylvania. Mr. Chairman, I yield to the gentleman from Nebraska [Mr. SLOAN].

Mr. SLOAN. Mr. Chairman, I am in favor of the amendment to exempt insurance companies from the operation of this profit tax. It is a system which really takes from the beneficiaries of the policies after the one who has purchased the policy is dead and gone. It is a system of grave robbery, to which the Government of the United States should not be committed. It would seem to me that the statesmanship of this House could find some way of meeting the exorbitant expenditures which have been voted rather than taking from the widow and orphan that fund which ripens by reason of the death of father or relative.

I submit here several telegrams which I have received or have had handed me as a part of my remarks:

LINCOLN, NEBR., January 29, 1917.

CHARLES H. SLOAN, M. C.,
Washington, D. C.:

Emergency-revenue measure proposes 8 per cent tax on insurance funds. Calling this tax on savings an excess-profit tax, is ridiculous. Show it up. Please furnish copy of bill.

C. PETROS PETERSON.

OMAHA, NEBR., January 30, 1917.

Hon. CHARLES H. SLOAN,
House of Representatives, Washington, D. C.:

The Life Underwriters' Association of Nebraska, representing more than 200 agents, authorize me in behalf of mutual life insurance companies to enter a protest against the passage of the Federal emergency-revenue measure in its present form. They regard it as being unfair and unjust to the companies; and the reasons for this conclusion will be placed before you later. In the meantime please use your endeavors to secure a fair hearing for the companies on this measure.

FRANKLIN MANN,
President.

LOS ANGELES, CAL., January 30, 1917.

Hon. C. F. CURRY,
House of Representatives, Washington, D. C.:

The Pacific Mutual Life Insurance Co., a California institution, and the largest company of its kind west of the Mississippi River, pays a large annual tax to the State of California of 2 per cent on its premiums. In addition to this it pays a similar tax to each State in which it transacts business, besides many other license taxes, etc. In addition, it pays a Federal income tax of over \$18,000 a year, and this year an additional excise tax to the Federal Government of about \$2,500 on its capital stock, and it is now proposed by the new Federal income-tax bill to collect a further tax of 8 per cent on its profits, which would amount probably to about \$80,000 a year. In addition, when you remember that the profits of a life insurance company are largely savings from mortality and earnings on reserves for the benefit of its policyholders which are returned to them you will readily see that these so-called profits are not the kind of profits which this emergency tax is intended to reach. We submit that life insurance is already tremendously taxed, and that this additional tax is simply in excess of the limit. We ask you in the name of our policyholders, who are over a hundred thousand in number, to use your influence to exempt life and accident insurance companies from this unjust tax.

GEORGE I. COCHRAN,
President Pacific Mutual Life Insurance Co.

Mr. Chairman, it seems to me that the time-honored constitutional policy which we find in article 1, section 8 of the Constitution, enumerating the powers of Congress, should be our guide. It is as follows:

To lay and collect taxes, duties, imposts, and excises; to pay debts and provide for the common defense and general welfare of the United States; but all duties, imposts, and excises shall be uniform throughout the United States.

This clearly shows what the fathers thought should be the principal source of revenue for the support of the Government. It seems to me that the men who were wise then handed down to us a system that is especially wise and desirable now. Not entirely to the exclusion of the more modern methods, but it still should remain the principal method. I should rather collect money necessary to run this Government very largely at the ports, to be paid by the foreigner, than to collect it from the widow, the orphan, or the fairly prosperous business here in our own country.

To demonstrate the advisability of collecting revenues at our ports I submit the following tables, which show the wisdom of following the constitutional method laid down by the fathers for the major portion of our national governmental support.

Table A shows the imports, free and dutiable, duties collected and average ad valorem rates for the four years under the Payne-Aldrich law and the three years under the Underwood law; also the average per year under both laws and the per cent of increase or decrease.

Table B shows the increased importations of foodstuffs under the Underwood law.

Table C shows the imports, duties collected, and average ad valorem rates under the different schedules for 1897 to 1916, inclusive.

Table D shows imports of certain farm products for stated similar periods under both laws, rates of duties, and estimated loss of revenue.

TABLE A.—Imports for consumption and duties for years ending June 30.

Year.	Free.	Values.		Per cent of free.	Total duties collected.	Average ad valorem rate of duty on—		Duty collected per capita.	Imports per capita.
		Dutiable.	Total.			Dutiable.	Free and dutiable.		
1910.....	\$761,353,117	\$785,756,020	\$1,547,109,137	49.21	\$326,561,683	41.52	21.11	\$3.50	\$16.54
1911.....	776,963,955	750,981,697	1,527,945,652	50.85	309,965,692	41.22	20.29	3.25	16.05
1912.....	881,512,987	759,209,915	1,640,722,902	53.73	304,899,365	40.12	18.58	3.15	16.94
1913.....	980,972,333	779,717,079	1,760,689,412	55.87	312,509,945	40.05	17.69	3.17	17.94
1914.....	1,152,392,059	754,008,335	1,906,400,394	60.45	283,719,081	37.60	14.88	2.83	19.04
1915.....	1,032,863,558	615,522,722	1,648,386,280	62.66	205,946,842	33.43	12.49	2.03	16.20
1916.....	1,495,881,357	683,153,244	2,179,034,601	68.65	209,725,801	30.67	9.62	2.03	21.08
Average 1910, 1911, 1912, and 1913, Payne-Aldrich law.....	826,700,598	768,916,427	1,620,616,778	52.41	313,484,171	40.75	19.41	3.26	16.87
Average 1914, 1915, and 1916, Underwood law.....	1,227,045,658	684,228,100	1,911,273,758	63.92	233,130,574	33.90	12.33	2.29	18.77
Per cent of increase.....	48		17	21		25	16	36	29
Per cent of decrease.....		11							

TABLE B.—Imports of certain classes of merchandise for year ending June.

	Payne-Aldrich law.			Underwood law.			Total for three years under Payne-Aldrich law, 1911, 1912, 1913.	Total for three years under Underwood law, 1914, 1915, 1916.	Per cent of increase or decrease.
	1911	1912	1913	1914	1915	1916			
Free of duty:									
Foodstuffs in crude condition and food animals.....	Dollars. 147,262,425	Dollars. 180,127,316	Dollars. 179,848,290	Dollars. 201,868,045	Dollars. 196,762,824	Dollars. 217,246,847	Dollars. 507,238,031	Dollars. 615,877,716	21
Foodstuffs partly or wholly manufactured.....	12,338,851	16,629,233	11,131,619	37,201,700	51,073,388	35,821,684	40,099,703	124,096,772	209
Total free.....	159,601,276	196,756,549	190,979,909	239,069,745	247,836,212	253,068,531	547,337,734	739,974,488	35
Dutiable:									
Foodstuffs in crude condition and food animals.....	33,932,438	50,230,914	31,609,819	46,079,576	27,166,740	34,586,947	115,773,171	107,833,253	- 6
Foodstuffs partly or wholly manufactured.....	159,667,650	179,471,375	183,548,923	190,442,629	234,651,703	273,887,033	522,687,948	698,981,365	33
Total dutiable.....	193,600,088	229,702,289	215,158,742	236,522,205	261,818,443	308,473,980	638,451,119	806,804,628	26
Free and dutiable:									
Foodstuffs in crude condition and food animals.....	181,194,863	230,358,230	211,458,109	247,947,621	223,929,564	251,833,794	623,011,202	723,710,979	16
Foodstuffs partly or wholly manufactured.....	172,006,501	196,100,608	194,680,542	227,644,329	285,725,091	309,708,717	562,787,651	823,078,137	46
Total free and dutiable.....	353,101,364	426,458,838	406,138,641	475,591,950	509,654,655	561,542,511	1,185,698,843	1,546,789,116	30
Total imports of merchandise.....	1,527,226,105	1,653,264,934	1,812,978,234	1,893,925,657	1,674,169,740	2,197,883,510	4,983,469,273	5,785,978,907	15

¹ Three months of this year was under Payne-Aldrich law.

TABLE C.—Imported dutiable merchandise entered for consumption: Values, duties collected, and ad valorem rates, 1894 to 1916, by schedules of the respective tariffs in force in the years named.¹

Year ended June 30—	Schedule A.—Chemicals, oils, and paints.			Schedule B.—Earths, earthenware, and glassware.			Schedule C.—Metals, and manufactures of.			Schedule D.—Wood, and manufactures of.		
	Values.	Duties collected.	Average ad valorem rates.	Values.	Duties collected.	Average ad valorem rates.	Values.	Duties collected.	Average ad valorem rates.	Values.	Duties collected.	Average ad valorem rates.
1897.....	Dollars. 19,003,638	Dollars. 5,440,024	28.63	Dollars. 21,166,515	Dollars. 7,605,199	35.93	Dollars. 23,603,665	Dollars. 8,953,132	37.94	Dollars. 1,485,479	Dollars. 339,974	22.88
1898.....	19,513,037	6,146,884	31.50	15,192,178	7,387,433	48.63	18,847,123	8,454,289	44.86	5,341,083	1,205,278	22.57
1899.....	21,570,616	7,009,695	32.50	17,244,220	8,893,349	51.40	18,152,727	7,809,281	43.02	7,568,420	1,671,048	22.08
1900.....	26,955,991	8,184,044	30.36	20,090,172	10,106,541	50.31	29,089,333	11,280,833	38.78	11,711,446	2,351,940	20.08
1901.....	28,414,360	7,415,496	28.07	20,166,399	10,301,486	51.08	28,631,743	10,922,077	38.15	10,635,183	2,049,457	19.27
1902.....	29,991,974	8,499,709	28.34	21,424,011	11,365,381	53.05	38,870,207	14,973,244	38.52	14,556,267	2,572,527	17.67
1903.....	31,249,644	8,980,673	28.74	25,735,463	13,320,181	51.76	65,164,750	22,368,210	34.33	16,659,208	2,814,734	16.90
1904.....	30,808,543	8,813,962	28.61	24,704,368	13,163,258	53.28	40,011,304	15,682,484	39.20	14,449,585	2,463,948	17.05
1905.....	31,010,996	8,845,176	28.52	23,126,296	12,193,546	52.73	36,327,218	14,448,673	39.77	16,707,735	2,750,017	16.46
1906.....	35,481,921	9,664,910	28.87	26,589,979	13,749,020	51.71	50,917,147	18,789,616	36.86	22,760,988	3,650,271	16.04
1907.....	40,246,137	11,124,088	27.64	30,309,009	15,350,019	49.03	67,148,963	21,882,145	32.59	24,472,483	3,701,201	15.12
1908.....	39,127,306	10,530,174	26.91	26,224,241	13,250,558	50.53	45,279,789	16,003,780	35.34	23,349,686	3,301,256	14.14
1909.....	42,936,600	11,217,784	26.13	21,148,142	10,641,572	50.32	41,103,417	15,656,102	38.09	23,285,386	3,140,844	13.49
1910.....	42,021,558	11,072,239	26.41	24,774,251	12,467,509	50.33	66,960,781	22,333,344	33.35	27,489,155	3,184,697	11.59
1911.....	48,869,382	12,563,788	25.71	24,495,258	12,669,182	51.72	58,757,341	18,869,321	32.11	24,709,532	2,959,669	11.98
1912.....	47,235,641	12,239,742	25.91	21,994,265	11,156,221	50.72	60,491,870	17,346,221	34.35	24,414,943	3,042,834	12.46
1913.....	49,386,692	13,017,094	26.36	23,001,873	11,385,195	49.60	64,299,772	20,513,874	31.90	27,851,295	3,408,227	12.24
1914.....	60,314,179	13,099,663	21.72	25,222,093	10,187,128	40.39	50,742,814	12,190,222	24.02	12,181,772	1,618,723	13.29
1915.....	54,098,081	11,221,795	20.74	18,141,905	6,804,909	37.51	31,835,773	6,990,064	21.96	4,456,844	708,531	15.90
1916.....	52,806,178	9,309,151	17.63	13,023,527	4,676,615	38.91	33,244,863	6,305,568	18.98	4,583,269	659,795	14.40

¹ The figures of this table do not in most instances agree with those under corresponding heads in the table following, owing to the fact that the schedules of the tariff and the classifications of the Bureau of Foreign and Domestic Commerce do not fully coincide as to the articles included.

TABLE C.—Imported dutiable merchandise entered for consumption: Values, duties collected, and ad valorem rates, 1894 to 1916—Continued.

Year ended June 30—	Schedule E.—Sugar, molasses, and manufactures of.			Schedule F.—Tobacco, and manufactures of.			Schedule G.—Agricultural products and provisions.			Schedule H.—Spirits, wines, and other beverages.		
	Values.	Duties collected.	Average ad valorem rates.	Values.	Duties collected.	Average ad valorem rates.	Values.	Duties collected.	Average ad valorem rates.	Values.	Duties collected.	Average ad valorem rates.
	Dollars.	Dollars.	Per cent.	Dollars.	Dollars.	Per cent.	Dollars.	Dollars.	Per cent.	Dollars.	Dollars.	Per cent.
1897	98,283,469	41,346,400	42.07	18,782,759	20,971,882	111.66	33,716,958	8,613,987	25.55	11,880,430	8,136,014	68.43
1898	38,330,580	29,695,301	77.47	8,225,482	9,916,183	120.55	29,853,286	11,608,121	38.88	9,319,646	6,026,607	64.66
1899	81,227,498	61,660,942	75.91	9,371,597	10,627,399	113.40	32,505,236	12,743,785	39.21	11,072,774	7,490,074	67.64
1900	80,890,937	57,823,285	71.48	13,597,162	14,382,305	105.77	35,762,588	13,183,635	36.86	12,897,506	8,828,660	68.45
1901	87,079,079	63,089,412	72.45	15,055,501	16,655,744	110.63	38,566,704	13,043,820	33.82	14,099,924	9,533,524	67.61
1902	61,116,367	53,040,877	86.79	16,331,536	18,756,035	114.85	43,682,461	16,012,639	36.66	15,367,757	10,562,022	68.73
1903	65,959,060	63,625,731	96.46	18,298,780	21,891,687	119.63	46,221,428	16,282,144	35.23	16,784,608	11,646,532	69.39
1904	77,898,029	58,152,347	74.65	17,875,683	21,176,293	118.46	49,013,792	16,890,988	34.46	17,120,014	12,105,786	70.71
1905	91,577,274	61,442,112	56.17	20,725,297	22,689,611	109.48	47,570,416	15,418,334	32.41	17,912,332	12,547,900	70.05
1906	86,133,491	52,648,866	61.12	22,917,352	23,927,700	104.41	53,868,946	18,126,575	33.65	19,669,398	14,009,516	71.22
1907	92,784,081	60,338,523	65.03	29,959,081	26,125,037	87.20	63,720,855	19,203,886	30.14	23,083,420	16,318,120	70.62
1908	83,626,684	50,168,155	59.99	26,495,243	22,160,089	83.64	69,609,535	21,618,559	31.06	21,419,770	15,213,085	71.02
1909	93,478,607	56,414,434	60.35	27,332,038	23,269,458	85.14	71,719,009	23,633,333	32.95	23,381,943	16,144,031	69.05
1910	101,586,708	53,105,357	52.28	29,581,469	24,124,239	81.55	84,872,747	25,160,516	29.64	25,315,878	18,113,512	71.55
1911	97,877,463	52,809,371	53.95	29,788,180	25,159,615	87.82	105,974,044	28,744,295	27.12	20,354,501	17,298,858	84.99
1912	105,744,519	50,951,199	48.18	31,116,052	25,571,508	82.18	117,711,156	34,146,071	29.01	20,731,233	17,409,512	83.98
1913	91,447,551	53,481,801	58.48	32,437,743	26,748,124	82.46	99,798,484	27,754,576	27.81	22,372,476	19,475,562	87.05
1914	108,255,115	61,870,457	57.15	32,332,220	26,892,273	83.17	122,304,972	24,817,322	20.29	21,763,994	19,674,962	90.40
1915	157,570,801	49,607,651	31.48	29,490,102	24,875,246	84.33	87,672,955	18,035,830	20.57	14,392,643	13,404,931	93.14
1916	205,512,242	55,875,639	27.19	30,195,472	27,580,595	91.34	94,634,995	16,164,123	17.08	17,330,417	15,550,582	89.73

Year ended June 30—	Schedule I.—Cotton manufactures.			Schedule J.—Flax, hemp, and jute, and manufactures of.			Schedule K.—Wool, and manufactures of.			Schedule L.—Silks and silk goods.		
	Values.	Duties collected.	Average ad valorem rates.	Values.	Duties collected.	Average ad valorem rates.	Values.	Duties collected.	Average ad valorem rates.	Values.	Duties collected.	Average ad valorem rates.
	Dollars.	Dollars.	Per cent.	Dollars.	Dollars.	Per cent.	Dollars.	Dollars.	Per cent.	Dollars.	Dollars.	Per cent.
1897	22,659,234	9,903,895	43.73	34,852,448	14,110,685	40.49	48,902,866	22,702,726	46.42	26,517,092	12,421,970	46.85
1898	14,663,418	7,500,252	51.15	33,704,889	15,712,121	46.02	18,369,631	13,057,164	71.12	22,639,597	12,231,681	54.03
1899	17,002,709	8,934,913	52.55	44,412,454	20,892,285	47.04	22,342,090	17,230,152	77.12	25,026,504	13,506,312	53.97
1900	20,684,578	10,565,562	51.08	54,732,531	25,701,451	46.96	30,656,717	21,637,428	70.58	30,358,771	15,771,796	51.95
1901	19,568,242	9,715,747	49.65	57,663,270	26,218,962	45.46	30,727,663	21,575,104	70.21	26,836,267	14,245,693	53.12
1902	21,129,139	10,422,930	49.33	68,123,003	30,694,804	45.05	35,363,788	26,396,923	74.64	32,242,228	17,293,290	53.64
1903	25,332,216	11,944,300	47.15	71,297,682	33,190,646	46.55	40,560,037	29,195,736	71.98	36,047,873	19,276,549	53.47
1904	23,442,254	11,035,018	47.07	71,460,146	32,898,495	46.04	39,962,848	27,252,492	68.19	31,483,007	16,610,210	52.76
1905	22,027,367	10,409,188	47.26	73,284,154	33,768,719	46.08	53,465,490	33,077,578	61.87	31,822,655	17,010,130	53.45
1906	26,656,366	12,292,896	46.12	92,055,209	41,777,088	45.38	63,265,115	37,968,695	60.02	32,591,910	17,351,095	53.24
1907	31,857,017	14,284,628	44.84	114,124,372	49,890,953	43.72	62,831,601	36,561,217	58.19	38,816,839	20,313,706	52.33
1908	31,577,132	13,878,022	43.95	96,177,445	41,921,732	43.59	55,822,495	28,845,245	51.67	31,755,212	16,493,078	51.94
1909	26,228,434	11,666,308	44.48	91,209,595	42,144,980	46.21	52,814,238	33,365,316	63.17	31,001,307	16,284,117	52.53
1910	28,310,523	13,619,191	48.11	106,374,854	49,735,027	46.75	70,745,252	41,904,850	59.23	32,225,923	17,023,622	52.71
1911	26,204,150	12,325,584	47.04	99,401,935	47,053,000	47.34	48,395,405	28,982,553	59.89	30,993,562	16,053,291	51.80
1912	24,358,300	11,085,150	45.51	108,698,102	49,082,348	45.14	48,361,374	27,072,116	55.98	26,571,510	12,095,239	51.51
1913	25,057,288	11,061,514	44.14	116,587,298	48,911,742	41.95	45,335,616	25,833,028	56.98	29,224,018	14,811,561	50.68
1914	32,529,134	9,200,408	28.47	155,407,796	19,913,016	35.26	39,254,823	16,957,341	43.19	34,039,755	15,376,702	45.17
1915	24,065,209	6,442,047	26.31	130,051,243	18,794,568	29.27	49,437,555	9,911,637	32.56	23,098,167	9,910,495	42.47
1916	24,244,523	5,908,827	24.62	30,943,574	8,619,140	27.85	18,352,938	6,128,567	33.39	28,304,619	11,927,952	42.14

Year ended June 30—	Schedule M.—Pulp, papers, and books.			Schedule N.—Sundries.			Tea.		
	Values.	Duties collected.	Average ad valorem rates.	Values.	Duties collected.	Average ad valorem rates.	Values.	Duties collected.	Average ad valorem rates.
	Dollars.	Dollars.	Per cent.	Dollars.	Dollars.	Per cent.	Dollars.	Dollars.	Per cent.
1897	5,319,055	1,200,043	22.56	41,184,008	10,031,293	25.04			
1898	4,684,291	1,202,328	25.67	56,868,214	14,073,599	24.75			
1899	5,222,698	1,349,575	25.84	65,420,324	16,272,012	24.50	76,240	41,322	54.20
1900	7,695,417	1,764,834	22.93	77,801,134	18,706,306	23.91	6,631,988	4,812,607	72.57
1901	7,021,205	1,702,776	24.25	76,198,074	17,912,848	23.51	10,835,047	8,008,636	73.91
1902	8,047,824	1,896,466	23.56	86,667,841	20,180,984	23.29	10,005,430	8,259,353	82.55
1903	9,907,819	2,220,756	22.28	98,422,646	20,843,433	21.18	10,327,118	7,882,607	76.33
1904	10,771,269	2,379,354	22.09	78,680,617	18,767,420	23.85	3,028,168	2,178,278	71.93
1905	11,974,859	2,525,896	21.09	92,512,767	20,771,250	22.45			
1906	14,173,017	3,020,980	21.31	119,640,146	26,600,776	22.23			
1907	20,005,025	4,136,029	20.67	133,092,951	29,892,107	22.45			
1908	22,335,007	4,414,633	19.75	94,616,374	24,475,066	25.87			
1909	22,764,740	4,412,020	19.39	113,862,410	26,387,061	23.17			
1910	24,532,627	5,245,103	21.28	120,594,291	29,133,889	24.16			
1911	26,110,975	5,645,302	21.62	109,049,968	27,448,145	25.17			
1912	22,828,121	4,886,671	21.41	108,952,769	26,931,900	24.72			
1913	24,899,335	5,091,232	20.45	125,017,638	30,758,685	24.03			
1914	13,999,054	3,114,380	22.25	144,587,674	48,539,937	33.57			
1915	9,385,676	1,988,769	21.19	100,816,766	37,158,600	36.86			
1916	6,491,285	1,257,726	19.38	123,455,312	39,495,871	31.98			

¹ Laces, embroideries, etc., formerly included in Schedule J, are, under the law of Oct. 3, 1913, included in Schedule N.

An examination of the foregoing statistics for the years 1897, 1912, and 1916 will show the following facts:

(1) That Schedule G in 1897 in point of view of dutiable imports ranked No. 5, in 1912 it ranked No. 1, but in 1916 had dropped to No. 3.

(2) That Schedule G as a revenue producer among the schedules in 1897 ranked ninth, in 1912 had risen to third, but in 1916 dropped to fourth.

(3) That Schedule G in 1897 showed dutiable importations of only \$33,716,958, in 1912 it had risen to \$117,711,156, and 1916

had fallen to \$94,634,995; Schedule G in 1897 produced only \$8,613,987 revenue, in 1912 it increased in revenue to \$34,146,017, but in 1916 decrease in revenue reduced to \$16,164,128.

(4) That while Schedule G in 1897 had but 8 per cent of the dutiable imports, in 1912 it had risen to 14 per cent, and in 1916 decreased to 7 per cent.

(5) That while Schedule G in 1897 produced only 5 per cent of the import revenues, in 1912 it produced 11 per cent, and in 1916 only 7 per cent.

(6) Between 1897 and 1912 Schedule G increased as a revenue producer by 296 per cent, but from 1912 to 1916 decreased by 52 per cent.

TABLE D.—Imports into the United States of certain farm products for 9 months ending June 30, 1914, under tariff law of 1913, together with imports of same articles for 9 months ending June 30, 1913, under the tariff law of 1909, and the per cent of increase. Also the imports of the same articles for 12 months ending Oct. 1, 1913, and 12 months ending Oct. 1, 1914, and the per cent of increase under the Underwood law; total imports of these articles two years ending Oct. 1, 1913, under the Payne-Aldrich law, and the total imports for first two years under the Underwood law, ending Oct. 1, 1915, and per cent of increase; also imports of these articles for the last three years ending Oct. 1, 1913, under Payne-Aldrich law, and imports of same articles for first three years ending Oct. 1, 1915, under the Underwood law, and the per cent of increase; also rates of duty on these articles under both laws—Estimated revenue if duties under Payne-Aldrich law had been collected on the imports for the first three years under the Underwood law; actual duties collected under the Underwood law and estimated loss of revenue for the three years.

[Footnotes at end of table.]

Products.	Imports for nine months, Oct. 1, 1912, to June, 1913, inclusive, under Payne-Aldrich tariff law.		Imports for nine months, Oct. 1, 1913, to June, 1914, inclusive, under Underwood tariff law.		Per cent of increase or decrease. ¹	Imports for last year under Payne-Aldrich tariff law, Oct. 1, 1912, to Sept. 30, 1913, inclusive.		Imports for first year under Underwood tariff law, Oct. 1, 1913, to Sept. 30, 1914, inclusive.		Per cent of increase or decrease. ¹
	Quantity.	Value.	Quantity.	Value.		Quantity.	Value.	Quantity.	Value.	
Cattle ².....number..	386,130	\$5,771,094	717,812	\$16,252,798	96	516,686	\$8,215,014	856,062	\$20,718,850	65
Horses ³.....do.....	7,853	1,386,086	29,911	1,803,930	280	10,960	2,187,185	33,638	2,230,394	115
Sheep ⁴.....do.....	13,330	75,127	221,129	491,648	1,553	15,920	115,883	259,911	699,729	1,532
Animals other, incl. live poultry ⁵.....do.....	201,027	207,353	562,915	306,934	180	319,346	255,737	319,346	645,316	102
Bread and biscuits ⁶.....bushels..	274,733	160,761	11,843,166	7,898,702	4,210	808,941	479,302	17,191,352	10,865,089	2,025
Oats ⁷.....do.....	79,966	37,678	22,276,137	7,882,733	29,145	87,988	40,782	22,611,683	8,026,012	.....
Wheat ⁸.....bushels..	472,385	368,856	1,971,367	1,755,939	317	479,955	374,912	20,099,358	1,858,394	.....
Hay ⁹.....tons.....	106,026	956,812	143,865	1,410,738	35	132,947	1,180,464	158,008	1,569,617	.....
Beef and veal ^{10 11}.....pounds..	.....	.....	176,333,072	15,140,173	.....	.....	.....	236,187,677	20,520,483	.....
Mutton and lamb ^{10 11}.....do.....	.....	.....	12,690,920	11,122,294	.....	.....	.....	16,472,715	1,493,357	.....
Pork ^{10 11}.....do.....	.....	.....	4,594,702	537,946	1,677	.....	1,696,622	15,552,255	1,966,336	.....
Prepared and preserved meat ^{10 12}.....pounds..	1,103,949	.....	1,676,360	383,669	.....	.....	.....	2,470,432	1,012,362	.....
Bacon and ham ^{10 13}.....pounds..	.....	.....	2,008,960	383,669	.....	.....	.....	6,136,722	1,012,362	.....
All other meats ^{10 14}.....pounds..	.....	.....	772,205	.....	.....	.....	.....	825,333	.....	.....
Sausage and bologna ¹⁵.....pounds..	587,202	131,440	563,898	19,622,647	-3	753,660	174,562	664,747	28,288,303	.....
Sausage casings ¹⁵.....pounds..	.....	1,753,179	.....	143,672	27	.....	2,480,980	.....	3,042,643	.....
Milk and cream ¹⁶.....pounds..	807,521	.....	2,020,452	150	.....	1,426,103	.....	.....	3,750,793	.....
Butter and substitutes ¹⁶.....pounds..	980,622	258,867	7,390,147	1,647,408	662	1,432,497	364,420	8,426,954	1,874,658	.....
Cheese and substitutes ¹⁷.....do.....	38,684,797	7,027,405	48,090,810	8,774,541	26	51,478,300	9,263,557	56,432,541	10,426,030	.....
Eggs ¹⁸.....do.....	1,099,434	154,363	5,332,725	1,059,592	430	.....	205,824	.....	1,143,068	.....
Beans ¹⁹.....bushels..	711,611	1,883,695	1,416,566	2,504,214	99	967,297	1,835,144	1,649,155	2,819,918	.....
Onions ²⁰.....do.....	573,770	361,222	810,956	528,135	41	877,625	1,075,792	.....	958,772	.....
Peas ²¹.....do.....	657,112	1,074,549	771,023	1,688,709	17	752,577	1,285,414	988,287	2,105,770	.....
Potatoes ²².....do.....	308,960	279,103	3,622,166	1,745,084	1,072	332,787	296,801	3,642,920	1,759,130	.....
All other vegetables ²³.....pounds..	.....	1,172,887	1,378,995	17	.....	1,431,874	.....	.....	1,612,117	.....
Wool, unmanufactured ²⁴.....pounds..	136,169,730	25,054,890	224,912,077	49,060,745	66	152,330,381	29,184,902	239,641,509	61,067,153	.....
Total.....	.....	49,727,159	.....	130,692,543	162	.....	63,342,993	.....	166,020,946	162

Products.	Imports for last two years ending Oct. 1, 1913, under Payne-Aldrich law.		Imports for first two years ending Oct. 1, 1915, under Underwood law.		Per cent of increase or decrease.	Imports for last 3 years ending Oct. 1, 1913, under Payne-Aldrich law.		Imports for first 3 years ending Oct. 1, 1916, under Underwood law.		Per cent of increase or decrease.
	Quantity.	Value.	Quantity.	Value.		Quantity.	Value.	Quantity.	Value.	
Cattle ².....number..	853,298	\$13,290,373	1,321,293	\$39,370,793	54	1,062,844	\$16,571,043	1,673,880	\$52,092,181	57
Horses ³.....do.....	17,079	3,883,884	46,182	3,022,760	170	26,219	6,418,214	60,153	32,078,533	129
Sheep ⁴.....do.....	36,629	225,849	418,689	1,278,985	1,043	78,174	494,269	660,657	2,319,043	745
Animals, other, including live poultry ⁵.....do.....	.....	529,908	.....	1,449,335	154	.....	854,659	.....	1,975,305	131
Bread and biscuits ⁶.....bushels..	.....	536,747	.....	680,484	28	.....	914,200	.....	889,914	-2
Corn ⁷.....do.....	1,474,493	853,369	24,880,919	15,453,242	1,594	1,526,815	891,242	28,220,583	17,187,826	1,748
Oats ⁷.....do.....	3,351,831	1,244,811	22,635,513	8,168,685	584	3,461,853	1,384,410	23,562,426	8,486,507	583
Wheat ⁸.....do.....	3,501,187	2,656,216	3,289,329	3,123,162	-8	4,020,256	3,132,998	9,617,690	9,876,173	139
Hay ⁹.....tons.....	2,996,758	3,198,985	188,617	1,949,775	-94	3,333,578	5,744,898	211,461	2,389,854	-93
Beef and veal ^{10 11}.....pounds..	.....	.....	373,722,737	33,245,476	.....	.....	.....	439,971,060	39,971,046	.....
Mutton and lamb ^{10 11}.....do.....	.....	.....	29,406,132	2,693,363	.....	.....	.....	48,682,222	4,395,102	.....
Pork ^{10 11}.....do.....	.....	.....	21,230,533	2,593,920	1,531	.....	4,011,954	23,142,041	2,796,487	.....
Prepared and preserved meat ^{10 12}.....pounds..	2,804,198	.....	2,967,675	2,967,675	.....	.....	.....	10,239,275	1,690,996	.....
Bacon and ham ^{10 13}.....pounds..	.....	.....	9,694,121	1,564,647	.....	.....	.....	.....	4,387,795	.....
All other meats ^{10 14}.....pounds..	.....	.....	2,702,468	.....	.....	.....	.....	.....	.....	.....
Sausage and bologna ¹⁵.....pounds..	1,769,559	363,509	862,823	45,767,849	-51	2,677,037	587,411	895,729	56,528,846	-66
Sausage casings ¹⁵.....pounds..	.....	4,936,612	.....	218,822	26	.....	7,496,475	.....	223,825	-86
Milk and cream ¹⁶.....pounds..	2,365,792	.....	6,249,101	6,249,101	.....	.....	3,779,891	.....	1,601,381	.....
Butter and substitutes ¹⁶.....pounds..	2,072,164	541,006	11,366,323	2,109,471	200	.....	3,107,762	.....	19,316,538	417
Cheese and substitutes ¹⁷.....do.....	98,390,966	18,378,551	101,925,904	2,662,935	448	3,107,762	781,837	12,026,684	2,879,944	286
Eggs ¹⁸.....do.....	2,233,038	362,094	9,091,890	19,103,744	3	143,092,024	26,268,025	183,933,350	27,118,382	-6
Beans ¹⁹.....bushels..	1,987,949	3,654,578	2,364,581	1,332,556	307	3,885,680	588,191	9,779,453	1,658,100	151
Onions ²⁰.....do.....	2,245,869	1,694,527	1,794,555	4,043,137	-20	3,141,711	5,665,514	3,821,310	6,114,299	5
Peas ²¹.....do.....	1,852,000	3,237,417	1,645,484	1,498,129	-11	2,878,588	2,080,349	2,863,195	2,446,847	-19
Potatoes ²².....do.....	14,058,449	7,480,418	4,604,370	5,806,348	-71	14,299,331	4,109,353	2,621,385	6,712,151	6
All other vegetables ²³.....pounds..	.....	3,294,835	.....	2,020,674	.....	.....	7,712,676	3,200,856	2,352,683	-70
Wool, manufactured ²⁴.....pounds..	378,317,142	68,569,619	570,483,312	3,065,499	-6	.....	5,718,972	.....	4,946,244	-13
Total.....	.....	144,183,098	.....	305,935,672	111	.....	198,706,219	.....	539,301,397	172

TABLE D.—Imports into the United States of certain farm products for 9 months ending June 30, 1914, under tariff law of 1913, etc.—Continued.

Products.	Rates under Payne-Aldrich law.	Rates under Underwood law.	Estimated revenue, Payne-Aldrich rates applied to imports first three years under Underwood law.	Revenue collected under Underwood rates.	Estimated loss of revenue for three years on these articles alone.
Cattle ¹.....number.....	27.07 per cent.....	Free.....	\$14,101,353		\$14,101,353
Horses ².....do.....	35.04 per cent.....	10 per cent.....	11,240,317	\$3,207,853	8,032,464
Sheep ³.....do.....	16.41 per cent.....	Free.....	380,554		380,554
Animals, other, including live poultry ⁴	16.02 per cent.....	6.43 per cent.....	316,443	126,012	190,431
Bread and biscuits ⁵	‡ at 45 per cent; ‡ at 20 per cent.....	\$595,186 free; balance, 25 per cent.....	311,409	73,682	237,727
Corn ⁶.....bushels.....	15 cents bushel.....	Free.....	4,233,087		4,233,087
Oats ⁷.....do.....	do.....	.06 cent bushel.....	3,538,863	1,515,545	2,023,318
Wheat ⁸.....do.....	25 cents bushel.....	10 cents bushel.....	2,464,422	961,769	1,502,653
Hay ⁹.....tons.....	\$4 per ton.....	\$2 per ton.....	845,844	422,922	422,922
Beef and veal ^{10 11}.....pounds.....	1½ cents pound.....	Free.....	6,599,565		6,599,565
Mutton and lamb ^{10 11}.....do.....	do.....	do.....	730,233		730,233
Pork ^{10 11}.....do.....	do.....	do.....	347,130		347,130
Prepared and preserved meat ^{10 11}	25 per cent.....	do.....	829,105		829,105
Bacon and ham ^{10 11}.....pounds.....	.04 cent pound.....	do.....	409,571		409,571
All other meats ^{10 11}	10 per cent.....	do.....	438,779		438,779
Sausage and bologna ¹⁵.....pounds.....	Free.....	Free.....	9,354,383		
Sausage casings ¹⁵.....do.....	do.....	do.....			
Milk and cream ²	Cream, 5 cents gallon; milk, 26.86 per cent.....	do.....	1,766,356		1,766,356
Butter and substitutes ¹⁶.....pounds.....	.06 cent pound.....	.02½ cent pound.....	721,601	300,667	420,934
Cheese and substitutes ¹⁷.....do.....	do.....	20 per cent.....	8,036,001	5,423,676	2,612,325
Eggs ^{2 18}.....dozen.....	.05 cent dozen.....	Free.....	488,972		488,972
Beans ¹⁹.....bushels.....	45 cents bushel.....	25 cents bushel.....	1,494,589	830,227	664,362
Onions ²⁰.....do.....	40 cents bushel.....	20 cents bushel.....	1,145,278	572,639	572,639
Peas ²¹.....do.....	‡ at 45 cents bushel; ‡ at 25 cents bushel.....	‡ at 20 cents bushel; ‡ at 10 cents bushel.....	731,201	302,365	428,836
Potatoes ²².....do.....	25 cents bushel.....	\$1,762,585 free; balance, 10 per cent.....	1,057,714	59,009	998,705
All other vegetables ²³	25 per cent.....	15 per cent.....	1,236,561	741,936	494,625
Wool, unmanufactured ²⁴.....pounds.....	43.61 per cent.....	\$6,412,007 at 15 per cent October and November, 1903, old law; balance free.....	119,394,263	961,801 1,292,521	117,139,941
Total.....			182,859,271	16,792,824	166,066,447

¹ Per cent of increase figured on quantities, where quantities are given; otherwise on values.

² Free on and after Oct. 3, 1913.

³ Duty reduced from \$30 per head where value not over \$150, 25 per cent ad valorem where value over \$150 per head, to 10 per cent ad valorem.

⁴ Live poultry reduced from 3 cents per pound to 1 cent per pound; dead, from 5 cents per pound to 2 cents per pound.

⁵ Either placed on free list or duty reduced about one-half.

⁶ Free on and after Oct. 3, 1913. Duty was 15 cents per bushel.

⁷ Duty reduced from 15 cents per bushel to 6 cents per bushel.

⁸ Free if imported from countries which impose no duties on like imports from United States, otherwise 10 cents per bushel. Duty was 25 cents per bushel.

⁹ Duty reduced from \$4 per ton to \$2 per ton.

¹⁰ Included in all other meat products prior to July 1, 1913.

¹¹ Free on and after Oct. 3, 1913. Duty was 1½ cents per pound.

¹² Free on and after Oct. 3, 1913. Duty was 25 per cent ad valorem.

¹³ Free on and after Oct. 3, 1913. Duty was 4 cents per pound.

¹⁴ Free on and after Oct. 3, 1913. Duty was 10 per cent ad valorem.

¹⁵ Free under both laws.

¹⁶ Duty reduced from 6 cents per pound to 2½ cents per pound.

¹⁷ Duty reduced from 6 cents per pound to ad valorem duty of 20 per cent, equivalent to about 4 cents per pound.

¹⁸ Included in all other articles prior to Oct. 3, 1913.

¹⁹ Duty reduced from 45 cents per bushel to 25 cents per bushel.

²⁰ Duty reduced from 40 cents per bushel to 20 cents per bushel.

²¹ Duty reduced from 45 cents per bushel to 20 cents, and from 25 cents per bushel to 10 cents per bushel.

²² Free if imported from countries which impose no duties on like imports from United States; otherwise 10 per cent ad valorem. Duty was 25 cents per bushel.

²³ Duty reduced from 25 per cent ad valorem to 15 per cent ad valorem.

²⁴ Practically all free of duty since Dec. 1, 1913. October and November, 1913, were under old law.

By July 1, 1918, probable loss of revenue on these articles would be \$262,938,378.

A study of the foregoing tables would seem to convince almost anyone of the large amount of revenues that the present administration has been throwing away and demonstrate the special favors we have been extending to the foreigners and the special burdens that we are placing upon business and upon our own people. Further, it will be readily seen that not only would a large amount of revenue have been collected, but our industries in this country would have been fairly protected against unwarranted competition had we followed the suggestions of the minority report filed with this bill in adhering to—

(1) Proper and rigid economy observed in all appropriations.

(2) The sound fiscal system of four years ago, under which our national debt was gradually and substantially being reduced; prudent national enterprises were being met and their expenses paid; a safe and substantial surplus was maintained in the Treasury and a reasonable protection to American industries maintained, which contributed greatly toward full and constant employment at good wages to our labor and gave a fair opportunity to American capital.

Mr. SLOAN. I yield back the balance of my time.

Mr. MOORE of Pennsylvania. Mr. Chairman, how much time is remaining on this side?

The CHAIRMAN. Twelve minutes.

Mr. MOORE of Pennsylvania. Mr. Chairman, I yield two minutes to the gentleman from Illinois [Mr. FULLER].

Mr. FULLER. Mr. Chairman, I will not offer the amendment I proposed a few minutes ago, because the amendment offered by the gentleman from New York [Mr. DEMPSEY] covers precisely the ground that I proposed to cover. I think the amendment is sufficient to cover the entire claim that we make, that these companies—life insurance, health insurance, and accident insurance companies—should be exempted from the payment of this tax, if the tax is justified in any case. These companies exist for the benefit of the people who are left dependent, perhaps, by the death of the protector of the family, and if anything on earth ought to be exempt it is insurance policies of this kind.

I do not see how, under the arguments made by the gentlemen on the other side yesterday, they can for a moment justify this kind of a tax against the funds provided for those who may be left destitute when the head of the family is taken away. I sincerely hope that either the amendment offered by the gentleman from New York [Mr. DEMPSEY] or that of the gentleman from Pennsylvania [Mr. MOORE] may be adopted. I think either one perhaps covers the ground, but the one offered by the gentle-

man from New York perhaps more thoroughly, according to my view, than any of the others. I also favor the amendment introduced by the gentleman from New Hampshire [Mr. Wason], which, however, is on a different subject.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. MOORE of Pennsylvania. Mr. Chairman, I yield three minutes to the gentleman from Delaware [Mr. MILLER].

The CHAIRMAN. The gentleman from Delaware is recognized for three minutes.

Mr. MILLER of Delaware. Mr. Chairman, I shall support the amendments offered to sections 200 and 201 of this bill as they relate to insurance companies, because I think any amendment that will perform a legislative operation on this bill is a good move and should be adopted.

Further, I believe that the first amendment offered by the gentleman from New Jersey [Mr. PARKER] exempting mutual insurance companies is unassailable and one that the majority in this House may well consider and adopt at this time.

In the few minutes remaining I am going to hand to the Clerk to read a portion of a letter that I received to-day which covers fully my views on the matter of taxing these insurance companies.

The CHAIRMAN. Without objection, the Clerk will read the letter.

The Clerk read as follows:

Unlike any other country in the world, civilized or uncivilized, the United States already imposes a tax of over \$1,000,000 per month upon American policyholders—to be exact, \$13,676,096 last year. These taxes in 1890 aggregated \$2,000,000; last year, \$13,676,096. This premium tax imposed would have furnished insurance protection of \$500 each to 1,159,200 more families, now left without a dollar, and yet it is estimated that the United States is paying for dependency in various ways—organized channels, public and private—between \$350,000,000 and \$400,000,000 per annum, not including the amount paid in Government pensions.

Why should legislation seek constantly to restrict expenses of life insurance companies, yet compel officers to pay this one increasing, arbitrary, excessive, and unjust expense?

Why not label laws taxing life insurance policyholders "An act to restrict thrift and providence by taxation": "An act to encourage dependency": "An act to tax almshouses, orphanages, and philanthropic institutions"?

"If village neighbors collected \$1,000 for a destitute widow and her orphans and were met at her house by a taxgatherer demanding \$70, he would probably be mobbed. Yet this is what our States take from every \$1,000 paid to the widows."—Haley Fiske.

Yours, very truly,

W. W. KNOX.

Mr. MILLER of Delaware. Mr. Chairman, I ask unanimous consent to further extend my remarks in the Record.

The CHAIRMAN. The gentleman from Delaware asks unanimous consent to extend his remarks in the Record. Is there objection?

There was no objection.

Mr. MILLER of Delaware. I yield back what remains of my time.

The CHAIRMAN. The gentleman's time has expired.

Mr. MOORE of Pennsylvania. Mr. Chairman, I yield two minutes to the gentleman from Iowa [Mr. DOWELL].

The CHAIRMAN. The gentleman from Iowa is recognized for two minutes.

Mr. DOWELL. Mr. Chairman, in the time allotted to me I shall be unable to discuss any of the provisions of the bill. As I understand it you are seeking here to levy a tax on mutual companies or associations, or, rather, you are seeking to tax the funds which have been laid aside for the widows and the orphans after the policyholders have died. It seems to me that you should not increase the tax on the funds which have been placed in the hands of these companies or associations for the purpose of assisting the widows and orphans after those upon whom they were dependent have gone.

I have received a number of telegrams protesting against the increase of the taxes on these funds, and, while I recognize this bill can not be amended, it occurs to me these protests should be considered.

The CHAIRMAN. The time of the gentleman from Iowa has expired.

Mr. MOORE of Pennsylvania. Mr. Chairman, how much time remains to me?

The CHAIRMAN. Five minutes.

Mr. MOORE of Pennsylvania. Does the gentleman from North Carolina desire to proceed? We are within five minutes of the expiration of our time.

Mr. KITCHIN. I will close with five minutes.

Mr. MOORE of Pennsylvania. With but one speech on that side?

Mr. KITCHIN. Yes. We have but one other speaker.

Mr. MOORE of Pennsylvania. Then I yield five minutes, Mr. Chairman, to the gentleman from Oregon [Mr. McARTHUR].

The CHAIRMAN. The gentleman from Oregon is recognized for five minutes.

Mr. McARTHUR. Mr. Chairman, the ground has been so thoroughly covered by other gentlemen on this side of the aisle that I do not deem it necessary to enumerate the very potent arguments that have been advanced against this proposition to levy a tax on industry and thrift. I wish, however, to include in what I have to say a couple of telegrams that I have received from people in my district relative to this matter. I yield back the balance of my time.

Following are the telegrams referred to:

PORTLAND, OREG., January 29, 1917.

Hon. C. N. McARTHUR,
Washington, D. C.:

Some of us Oregonians are very much interested in the developments of local life insurance companies, and it strikes us that the proposed emergency revenue applied to life insurance acts as a burden upon the small income of life insurance policyholders, and appears to us a tax upon the thrift that the small individual is making to protect his family, thereby relieving the State of a burden which too often falls upon it.

C. F. ADAMS.

PORTLAND, OREG., January 30, 1917.

C. N. McARTHUR,
Washington, D. C.:

Newspaper reports indicate new Federal revenue bill would levy tax of 8 per cent annually on insurance companies on net income exceeding \$5,000 and percentage on capital invested, in addition to present taxes. In the case of mutual assessment life insurance associations, all savings are held in trust for sole purpose of protecting policyholders and beneficiaries in same manner and for same purpose as are accumulations of fraternal societies; hence by all means exempt them from this special tax.

C. A. SHEPPARD.

Mr. MOORE of Pennsylvania. Mr. Chairman, I yield one minute to the gentleman from South Dakota [Mr. DILLON].

The CHAIRMAN. The gentleman from South Dakota is recognized for one minute.

Mr. DILLON. Mr. Chairman, in behalf of numerous policyholders of my State I want to enter a protest against the feature of this bill that seeks to levy a tax upon the funds accumulated for the widows and the orphans, and as a part of my remarks I ask unanimous consent to incorporate in the Record three protests that I have received. I yield back the time I have not consumed.

Following are the telegrams referred to:

PIERRE, S. DAK., January 28, 1917.

Hon. C. H. DILLON,
House of Representatives, Washington, D. C.:

Proposed emergency revenue measure agreed to by Democratic House caucus imposes oppressive tax on insurance companies operating in South Dakota, which must be shifted to policyholders. Please do all you can to eliminate.

LORING E. GAFFEY,

President First National Life Insurance Co.

SIOUX FALLS, S. DAK., January 30, 1917.

Hon. C. H. DILLON,
House of Representatives, Washington, D. C.:

In behalf of mutual life insurance companies I desire to enter a protest against passage of Federal emergency revenue measure in its present form. I regard it as being unfair and unjust to them, and reasons for this conclusion will be placed before you later. In meantime please use your endeavors to secure fair hearing for companies on this measure.

JOHN MALLANNEY.

WATERTOWN, S. DAK., January 29, 1917.

Hon. C. H. DILLON,
House of Representatives, Washington, D. C.:

Three hundred stockholders and officers of Dakota Life Insurance Co. protest against enactment of Federal emergency revenue measure, and hope you can see your way clear to oppose and defeat the assassination of life insurance business.

JOHN B. HATEN, President.

Mr. MOORE of Pennsylvania. Mr. Chairman, I yield one minute to my colleague from Pennsylvania [Mr. GARLAND].

The CHAIRMAN. The gentleman from Pennsylvania is recognized for one minute.

Mr. GARLAND. Mr. Chairman, there is one point in connection with this bill that I want to call to the attention of the Members of this House, and especially I want to attract the attention of the chairman of the committee who has this bill in charge. Labor organizations and fraternal organizations, many of them, which are giving sick and funeral benefits to their members, accumulate funds, and with those funds they purchase homes and lay by considerable money for the purpose of paying sick and death benefits.

Now, the chairman states to me that this amendment would not include them for the reason that they are not taxed an income tax. But supposing the collector of income tax decides that they are taxable, which he is likely to do at any time. Is there not any way you can arrange in this bill to exempt those organizations from a tax of that kind—a tax on the funds of fraternal and labor organizations?

Mr. KITCHIN. I will say to the gentleman that all the insurance companies that are excepted in the income tax are stated just as clearly as they can be, and this bill excepts the same incomes of all kinds from the operations of this bill as are excepted in the income-tax law.

Mr. GARLAND. The gentleman thinks the collector of the income tax would not decide that labor and fraternal organizations are included?

Mr. KITCHIN. Of course, if he concludes contrary to the plain words of the statute, they would have an appeal to the Supreme Court.

Mr. GARLAND. I simply wanted to be assured on that point.

Mr. KITCHIN. Yes.

Mr. GARLAND. I wanted that to be in the Record.

Mr. MOORE of Pennsylvania. How much time is remaining, Mr. Chairman?

The CHAIRMAN. The gentleman has two minutes remaining.

Mr. MOORE of Pennsylvania. I yield one minute to the gentleman from Connecticut [Mr. OAKLEY].

Mr. OAKLEY. Mr. Chairman, I come from one of the great homes of life insurance, and for the last few days have received a great number of protests against this provision of the bill. In the moment allowed me I want simply to join hands and heart with the gentlemen who are making this protest against taxing the policyholders of the mutual life insurance companies of America. Their voice goes out to you, my colleagues, as well as that of the officers who conduct these great companies, asking you to strike from this measure this unjust and unfair provision, and I ask you in all sincerity to help us do it.

Mr. MOORE of Pennsylvania. Mr. Chairman, I had intended to yield the last minute to the gentleman from Iowa [Mr. GOON], but he has kindly turned it back to me in order that I may say a word or two about amendments that are of very great importance; one offered by the gentleman from New Hampshire [Mr. WASON], which proposes to exempt corporations or partnerships where the employees participate in the profits; that is to say, where there is an actual profit-sharing by the employees. Then the mutual life insurance amendments. I hope we may have careful consideration of these proposals to exempt mutual companies from the operation of this tax.

The mutual life insurance company is the last thing in the world that ought to be taxed in war time or any other time. It makes no profits like the business concern makes. It has no opportunity to make such profits. It is not in the profit-making business, and in war time in particular it stands in the stead of the Government, whose funds are depleted, to take care of the widows and orphans that the Government can not possibly take care of. It seems to me that in the interest of that humanity of which the gentleman from North Carolina [Mr. KITCHIN] spoke so feelingly in the earlier part of his address these two amendments should be agreed to.

Mr. KITCHIN. Mr. Chairman, I yield two minutes to the gentleman from Alabama [Mr. BURNETT].

Mr. BURNETT. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from Alabama offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment by Mr. BURNETT: Amend line 20, on page 3, by striking out "\$5,000" and inserting "\$10,000" in lieu thereof.

Mr. BURNETT. Mr. Chairman, the speech of the chairman of the Ways and Means Committee was most eloquent and able—one of the ablest I have ever heard fall from the lips of any Representative on this floor. The purposes of the bill as outlined by him are perfectly right, if it accomplishes what the gentleman thinks it will. I agree with him that those who have been piling up their millions as a result of war conditions and those who, by every means, fair and foul, have been helping to get up this hysteria in favor of preparedness and piling up millions of dollars of expense on the Federal Treasury, should pay the expenses necessarily incurred thereby. But he said that the bill would exempt those who were the innocent victims of such wild extravagance. In that the gentleman is mistaken. All over the country, and especially throughout the Middle West, the West, and the South, there have been for several years banking and business institutions growing up in which the working people and the farmers own the main part of the stock. The gentleman attempts to answer that by saying that when you exempt \$5,000 and then 8 per cent additional it will never affect any of those people. In ordinary or lean years that would be a correct proposition; but the last few years have been years of great prosperity to those people, and many of these banking and business institutions have been making perhaps 25 or 30 per cent, and gentlemen from all over the country are going to find when this bill is put into operation

that they will receive protests from those people who are not responsible for existing conditions and who are not protected by the small exemption of \$5,000. It is in the interest of such as these that I offer this amendment. The chairman of the Ways and Means Committee says that my amendment, if adopted, will cut down the revenue proposed by this bill in the amount of twenty-five or thirty million dollars. My answer to that is that by cutting out one battleship from the proposed naval program we will not need that twenty-five or thirty million dollars.

Mr. ADAIR. Will the gentleman yield?

Mr. BURNETT. I have only five minutes, and I hope my colleague will not insist.

Therefore, in the utmost good faith, Mr. Chairman, I insist that this amendment ought to be adopted for the purpose of carrying out the objects that the gentleman from North Carolina [Mr. KITCHIN] has said were the purposes of this bill, and which I admit to be legitimate. Therefore I say that when we come to vote on this section that amendment ought to be adopted by which the earnings of these people, thousands of whom have earned their little money by the sweat of their brows and put it into these partnerships and corporations, may be protected by an increase of the maximum exemption to \$10,000 instead of \$5,000.

Mr. Chairman, I yield back the remainder of my time.

The CHAIRMAN. The gentleman from North Carolina [Mr. KITCHIN] is recognized for five and one-half minutes.

Mr. KITCHIN. Mr. Chairman, I hope the amendment of the gentleman from Alabama [Mr. BURNETT] will not be adopted. I do not think he understands exactly the operation of the excess profits provision, because hardly any of the corporations or copartnerships to which he refers will be touched by this bill. If his amendment were adopted the small corporations to which he refers, say those having a capital of \$25,000, would have to make a 48 per cent profit before the tax would touch them at all. Corporations of \$50,000 would have to make 28 per cent net profit before this tax would attach, and corporations with \$100,000 would have to make a net profit of 18 per cent before the tax would attach. I think the exemption in the gentleman's amendment is entirely too high. It ought not to be adopted, and if adopted we would lose about \$25,000,000 in revenue.

Mr. BURNETT. Could we not cut it off of one battleship?

Mr. KITCHIN. If we could do that. Now I want to address myself to the amendment offered with respect to exempting mutual insurance companies. Why, gentlemen, the policyholders in this country will not feel the sensation of the loss of a penny by the operation of this law. Every insurance company, fraternal beneficiary society, or any other kind of insurance company that is exempted under the present income-tax law is exempted from the operation of this bill.

Mr. STAFFORD. Will the gentleman yield?

Mr. KITCHIN. No; I have not time. I can not be interrupted, because I have not time. Mutual insurance companies which now have to pay taxes under the present income-tax law will have to pay under this law, and those which are exempted under that law will be exempted under this.

Let me say to the House that the 20 largest insurance companies in this country have reserves aggregating nearly \$4,000,000,000. To-day these 20 largest insurance companies of the United States have an income from the invested reserve outside of what the policyholders pay, outside of the excess of assets over their legal reserve, amounting to \$200,000,000. And yet, there are so many exemptions and deductions under the income-tax law that they paid last year only about \$300,000 income tax; and under the present income-tax law, paying double the normal tax, they will pay about \$600,000. All other corporations with anything like the assets these companies have will pay many times that amount under the operation of this law as compared with the amount these insurance companies will pay. Under this tax the 20 insurance companies will pay about \$1,000,000. This taxes only the net income. Every dollar of the premium returned to the policyholders is deducted. The tax can not fall on the policyholder, and I trust that no man will vote for the amendment on the ground that it falls on the policyholder. If the insurance companies are opposed to this tax let them pay the excess of the net income over the 8 per cent deduction to the policyholder as a refund, to which it rightfully belongs.

Mr. PARKER of New Jersey. Do not they have to put by a trust fund in what is called the reserve?

Mr. KITCHIN. That is not taxed now.

Mr. PARKER of New Jersey. Yes; it is taxed.

Mr. KITCHIN. The net income will be taxed, not that put aside as a reserve. If they do not want the tax, let them send it back to the policyholders.

The CHAIRMAN. The gentleman's time has expired, all time has expired, and the question is on the amendment offered by the gentleman from New Jersey [Mr. PARKER], which the Clerk will report.

The Clerk read as follows:

Page 2, line 5, after the word "companies," insert "excepting purely mutual insurance companies."

The CHAIRMAN. The question is on the amendment.

The question was taken; and on a division (demanded by Mr. MOORE of Pennsylvania) there were 111 ayes and 113 noes.

Mr. MANN. I ask for tellers.

Tellers were ordered.

The Chair appointed as tellers the gentleman from Ohio [Mr. ALLEN] and the gentleman from New Jersey [Mr. PARKER].

The committee again divided, and the tellers reported that there were 133 ayes and 171 noes.

So the amendment was rejected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. BENNET], which the Clerk will report.

The Clerk read as follows:

Page 2, line 25, strike out the words "and insurance companies."

The question was taken, and the amendment was rejected.

The CHAIRMAN. The question now is on the amendment offered by the gentleman from Pennsylvania [Mr. MOORE], which the Clerk will report.

The Clerk read as follows:

Page 3, line 18, after the word "plan," insert "and from the business of life insurance companies issuing policies upon the mutual plan."

The question was taken, and the amendment was rejected.

The CHAIRMAN. The question now is on the amendment offered by the gentleman from New York [Mr. DEMPSEY], which the Clerk will report.

The Clerk read as follows:

Page 3, lines 16, 17, and 18: Line 16, strike out "and" and insert "or" in place thereof; after the word "insurance," line 17, strike out "combined in one policy issued on the weekly-premium payment plan."

The question was taken, and the amendment was rejected.

The CHAIRMAN. The question now is on the amendment offered by the gentleman from New Hampshire [Mr. WASON], which the Clerk will report.

The Clerk read as follows:

On page 3, line 18, after the word "plan," insert "and further excepting income of every corporation and partnership organized, authorized, or existing under the laws of the United States, or any State, Territory, or District thereof that is divided annually among employees of such corporation or partnership."

The question was taken; and on a division (demanded by Mr. WASON) there were 115 ayes and 137 noes.

So the amendment was lost.

The CHAIRMAN. The question now is on the amendment offered by the gentleman from Alabama [Mr. BURNETT], which the Clerk will report.

The Clerk read as follows:

Amend, line 20, page 3, by striking out "\$5,000" and inserting "\$10,000."

The question was taken; and on a division (demanded by Mr. BENNET) there were—ayes 102, noes 127.

So the amendment was rejected.

Mr. DILLON rose.

The CHAIRMAN. All debate has been exhausted on this section.

Mr. DILLON. A parliamentary inquiry, Mr. Chairman.

The CHAIRMAN. The gentleman will state it.

Mr. DILLON. I understood that applied only to the insurance features of the section.

The CHAIRMAN. The Chair particularly asked the gentleman from North Carolina [Mr. KITCHIN] whether his request for unanimous consent was that debate should be closed on all amendments to the paragraph, and he replied that it was, and it was with that understanding that debate would close. The Clerk will read.

The Clerk read as follows:

Sec. 203. That the tax herein imposed upon corporations and partnerships shall be computed upon the basis of the net income shown by their income-tax returns under Title I of the act entitled "An act to increase the revenue, and for other purposes," approved September 8, 1916, or under this title, and shall be assessed and collected at the same time and in the same manner as the income tax due under Title I of such act of September 8, 1916: *Provided*, That for the purpose of this title a partnership shall have the same privilege with reference to fixing its fiscal year as is accorded corporations under section 13 (a) of Title I of such act of September 8, 1916: *And provided further*, That where a corporation or partnership makes return prior to March 1, 1918, covering its own fiscal year and includes therein any income received during the calendar year ending December 31, 1916, the tax herein imposed shall be that proportion of the tax based upon such full fiscal year which the time from January 1, 1917, to the end of such fiscal year bears to the full fiscal year.

Mr. BENNET. Mr. Chairman, I move to strike out the last word for the purpose of asking the gentleman from North Carolina if he is certain, before we come to the next section, that mutual building and loan associations are covered by the exemptions in section 204?

Mr. KITCHIN. The same kind of mutual building and loan associations that are exempted under the income-tax law are exempted under this. This bill specifically says so in another place.

Mr. BENNET. As I recall it, the income-tax law exempts the ordinary building and loan association?

Mr. KITCHIN. Yes. I remember discussing the matter with the gentleman when we were considering the income-tax law at the last session. The same companies that he thought ought to be exempted and which were exempted in the income-tax law are exempted here.

Mr. ALLEN. Mr. Chairman, I will say this to the gentleman from New York, that I talked to the president of the National Association of Building and Loan Associations, and he is entirely satisfied.

Mr. BENNET. Very well.

Mr. MANN. Mr. Chairman, I do not see any possibility of getting through with this bill until after the dinner hour.

Mr. KITCHIN. Oh, I should think we could easily.

Mr. MANN. Well, I am a pretty good guesser about what the House does.

Mr. KITCHIN. Of course the gentleman can prevent it if he desires.

Mr. MANN. I am not trying to prevent it. I would like to expedite it. What I want to get at is this: I think it is fair to the House to know whether it is the intention of the gentleman from Alabama to keep the House here to-night until we have a final vote upon the veto message of the President upon the immigration bill. If the gentleman from Alabama does not know now, I wish he would canvass the subject and let us know later.

Mr. KITCHIN. I know there are a few gentlemen on this side, and, I think, on the other side, who have made arrangements to go home.

Mr. MANN. I understand; but I am asking for information for the benefit of the Members of the House. Undoubtedly the House will do what the gentleman from Alabama desires to have done.

Mr. KITCHIN. Does the gentleman from Alabama desire to hold the Members here to get a final vote upon the veto message of the President on the immigration bill?

Mr. BURNETT. I do.

Mr. MANN. No matter how late it may be?

Mr. BURNETT. That is correct.

Mr. MANN. Very well.

The CHAIRMAN. The gentleman from Tennessee is recognized for five minutes.

Mr. AUSTIN. Mr. Chairman, I wish to voice my earnest protest against the passage of the pending revenue bill. I wish to do it in the name of the business men and manufacturers of the great industrial district which I have the honor to represent. I wish also to do it in the interest of the deserving men engaged in the mining, lumbering, and manufacturing business throughout the Southern States—in the name of every cotton mill, every knitting mill, every textile plant, every marble mill, every coal company, every iron furnace, every steel mill, and every business corporation in the South. I wish to do it in the name of the commercial and business organizations of the cities of the South. If we were to take a vote to-day of the progressive business men whose money and energy and enterprise are building up and developing the wonderful resources of the South, that vote would, in my opinion, be practically unanimous against this un-American bill. [Applause on the Republican side.]

I am opposed to a low tariff and direct taxation by the Federal Government—the same system of taxation which has filled Great Britain with paupers. I protest against my country adopting the system and method of taxation used in that country, because it has filled and overcrowded public hospitals, asylums, almshouses, and poorhouses with the plain common people. In Great Britain one out of every four persons who die is buried at public expense. Under their system of taxation, with a population of 45,000,000 people in 1911, they had 1,057,000 paupers, as against 64,000 paupers in the United States the same year, with a population of 91,000,000, under a protective tariff law. Fifty-three per cent of their people over 75 years of age are cared for in the poorhouses. As I recall it, the prime minister of England recently made the statement that out of 475,000 people who had passed away 425,000 died without leaving a farthing apiece. And yet the party now in power has committed

Congress to a tariff for revenue only, a low tariff, and is to-day by this bill forcing upon the American people a system of direct taxation—the same system which has made paupers of countless thousands of the working people of Great Britain. I protest against following the tariff for revenue only and direct taxation laws of Great Britain, which have filled that land with poverty, misery, unhappiness, and created an army of over a million paupers. I stand for the American protective-tariff system, which has made this country the marvel, the envy, and the admiration of the world, made it the richest, the most favored, and the most prosperous land beneath the sun.

The gentleman from North Carolina [Mr. KITCHIN], the Democratic leader, appeals to the entire Republican side to favor the pending bill because it practically voted for preparedness. In supporting that legislation the Republicans did not commit themselves to raising the money to meet it by a system of direct taxation by the Federal Government. I submit this challenge or test to the gentleman from North Carolina: Bring in a protective-tariff bill to meet this emergency, to cover the cost of preparedness, and every man on this side of the House will vote for it. [Applause on the Republican side.] When in a majority the Republicans passed the appropriation bills to run the Government—for the Army and the Navy, and so forth—the Democratic side voted with them in favor of said bills. Later, when a protective-tariff measure to raise the needed money to meet the expense the Democrats and Republicans had voted to incur was introduced, the Democratic side, including the Member from North Carolina, voted against the protective-tariff bill.

The Democratic leader [Mr. KITCHIN] complains and attempts to defend his side against the charge of extravagance, and now let me call his attention to the statement made by the gentleman from New York [Mr. FITZGERALD], the Democratic chairman of the Committee on Appropriations of this House, in which he said that the Democratic Members had been so reckless, so extravagant, so wasteful of the public funds that at times he felt tempted to resign his position. The gentleman from Mississippi [Mr. Sisson] and the gentleman from North Carolina [Mr. PAGE], both Democratic members of the Committee on Appropriations, appealed to their Democratic colleagues to stop their wasteful extravagance of public money. The gentleman from Mississippi [Mr. Sisson] said that the Democratic side owed the Republican Members an apology in view of the charge in the Democratic national platform that the Republicans were wasteful and extravagant.

The bill under consideration provides for new and additional taxation amounting to \$248,000,000. Now, this is about equal to the following items of expenses authorized by a Democratic Congress over Republican opposition and caused by the administration's mistakes in handling the Mexican question:

Shipping bill.....	\$50,000,000
Nitrate plant.....	20,000,000
Armor-plate plant.....	11,000,000
Troops on the border.....	160,000,000
Total.....	241,000,000

In this table is not included the expenses of capturing Vera Cruz, Mexico, or the thousands of new offices created by a Democratic Congress over the protest of the Republicans. All of these expenditures now calling for more taxes is chargeable to a Democratic Congress and administration and not to the Republican Members of Congress.

Now, the gentleman from North Carolina, in answer to my question to know if the money we needed to run the Government could not be raised by taxing foreign manufacturers for the use of our market, especially those whose goods were coming in free without paying a duty at our customhouses, replied that raw materials were placed on the free list for the benefit of our manufacturers.

In this connection I wish to call his attention to the fact that there are over a hundred different kinds of manufactured articles on the free list, and the value of these articles coming into this country runs into millions of dollars. These same articles are manufactured in the United States. We exact no taxes or duties on these foreign-made goods, but the American manufactures are taxed in cities, counties, and States, and the party in power proposes in the pending bill to add additional Federal or national taxes and at the same time refuses to make the foreign manufacturer whose goods are on the free list pay a cent to meet the running expenses of our Government. I protest against this unjust, unwise, and unfair treatment of the American business men and manufacturers.

The Republican Members of this House demand that before you lay the additional burden carried in the bill under consideration upon the American business man you exact taxation from the foreign manufacturers and exporters now flooding the

American market with foreign-made goods. [Applause on the Republican side.] We now have the lowest tariff law ever enacted in the history of this country, the average duty less than 10 per cent, with over 70 per cent of the foreign imports on the free list—

Mr. GORDON. And the greatest prosperity in the history of the country.

Mr. AUSTIN. Yes; on account of the European war, and in spite of the Underwood low-tariff law, which filled our country with 4,000,000 idle workmen in 10 months. [Applause on the Republican side.]

The Republican Members of this House stand for military and naval preparedness, and they stand equally firm for industrial preparedness to meet conditions which will confront us at the close of the war in Europe. The Democratic leader [Mr. KITCHIN] and others have during this debate criticized and condemned the Payne-Aldrich tariff law. I am proud of the fact that my vote aided in passing that great measure, which was supplanted by the existing Underwood low-tariff law, which the gentleman from North Carolina greatly assisted in preparing and passing through Congress. Prior to the European war, during normal times, both of these tariff laws were tested. Under the Payne-Aldrich law every American plant was running full time, every man in America could find employment at good wages, sufficient money was raised to meet the expenses of the Government, the balance of trade was in our favor, a surplus in the Treasury of \$126,664,000 when the law was repealed. Prosperity and good times were on every hand—from ocean to ocean, in every State, county, city, village, and community. Within 10 months after the repeal of the Payne-Aldrich law and the substitution of the Underwood law the land was full of idle men, plants were closed down, one-third of our railroads were placed in the hands of receivers, more than 18,000 businesses failed, one-third of the steel mills were closed, and 270,000 miners were idle for the want of work. Public soup houses were opened throughout the land, our balance of trade was wiped out, and the \$126,664,000 we turned over to the Wilson administration was soon used up. Our exports fell off \$158,000,000, and imports from foreign lands increased \$100,000,000. Had the Payne-Aldrich law continued in force the Treasury Department would have collected \$500,000,000 more at our customhouses and the direct taxes provided in the pending bill would have been unnecessary.

The coming of the horrible war in Europe saved our country from one of the most disastrous business, commercial, and financial panics in the history of the world; yet, in the face of this record, certain gentlemen on the other side of the House condemn the Payne-Aldrich tariff law and praise the Underwood tariff law and insist that we shall live under it when the war closes in Europe. What we insist upon is not only an adequate Army and Navy, but we insist upon wise and patriotic legislation which will protect the American workshop and the American wage earner against cheap competition from abroad. [Applause on the Republican side.]

FREE LIST.

The following is a list of manufactured goods and products on the free list—shipped into the United States by our foreign competitors without paying any tax or tariff duty to the American Government:

Bagging, barbed wire, leather belting, Bibles, blankets, books, boots, brass, burlaps, cash registers, cast-iron pipe, cement, coal, coke, copper plates, bars, ingots or pigs, cotton gins, dye-stuffs, fencing, barbed and galvanized wire, flat rails, iron and steel, galvanized wire, glass plates, gloves, granite, gunpowder, handle bolts, sewing machines, harness, harvesters, hides, hoop iron or steel, horseshoes and nails, ingots, iron ore, iron or steel bands, iron and steel billets, iron or steel nails, rails, and scrap, leather, boots and shoes, harness, saddles, linotype machines, loops of iron, lumber, certain machines, mowers, nails, needles, paper, pigs, copper, iron pipe, cast iron, plows, printing paper, pulp woods, rails, flat, iron or steel, railway bars, iron or steel, reapers, shingles, shoes, sole leather, spikes, staves, T rails, iron or steel, tacks, thrashing machines, type-setting machines, typewriters, wagons and carts, wire, barbed fence, galvanized nails, staples, wood pulp, wrought and cast iron, wrought-iron and steel nails.

Mr. HARDY. Mr. Chairman, it is remarkable to me how difficult it is for one to see who does not wish to see. I could not help thinking when the gentleman from Tennessee [Mr. AUSTIN] was talking about poverty-stricken England under what he called her free-trade laws, of how he closed his eyes about the conditions that prevail in Italy, France, and Germany under what he calls protective-tariff laws. [Applause on the Democratic side.] The truth is, every time a tariff bill comes

up those gentlemen are urging American workmen be protected from the pauper labor of Italy, Germany, and France, which have high-tariff laws. Knowing the unfairness of the comparison, you select America, the country having the richest resources and lightest burdens of taxation, to compare with England, instead of comparing England with other countries similarly situated. You know that England to-day has the highest wages of any European country and has more progress and more prosperity. Of course, you prefer to compare England with America. Now, I want to take up, not having had an opportunity to discuss this measure, the question of the methods of taxation involved in this law. It is easy to show that wealth always prefers indirect taxation as by a tariff to direct taxes, because the tariff places the burden of taxation upon the shoulders of the poor and the reasonably well to do, and wealth escapes. Now, the most just tax on earth up to this tax was the income tax. I would rather to-day pay a tax of 10 per cent on my net income than 1 per cent on my assets. I would rather pay a tax of 50 per cent on the excess profits under this bill than to pay a tax of 1 per cent on my assets. But because this is the richest and wealthiest country in the world, whenever you try to reach great wealth by taxation it is objected to. This is not a sectional issue. In a measure it is a class issue. It seeks to place some proportion of the burdens of taxation on the wealth, the specially great wealth, of this country. When you tax an income over and above the reasonable expenditures of the family, you have taxed competency and efficiency. When you put a tax on the shoulders and the backs of the poor you are taxing poverty, as you do under a tariff, but when you go further, as this bill does, and propose to tax wealth at all you have a fight. This bill allows to the wealthy man all his current expenditures and then \$5,000 flat, and then 8 per cent net profits on his whole investment, and then puts a tax upon the excess profits. When you strike the class affected at all by this law, you strike a class which always, by reason of some unjust or unfair law or practice, has made a profit in excess of a reasonable profit, and I want to tell you right now, you watch what I am saying. It is not a north or south or east or west question. Oh, you say, this tax comes from the North. It does not. You say it will shift down to the shoulders of the poorer class. That is true, as far as it can be made to do it; but the fact is, an income tax is the most difficult to shift to the shoulders of the poor, and that is the reason why great aggregations of wealth always oppose it, and the fact that it will be almost impossible to shift this excess profits tax to the shoulders of the poor is the reason why we find a solid array on that side of the House, and the gentleman from the South, from Tennessee, talking against it. The gentleman from Tennessee talks about taxing the manufacturing industries of the South, and I have even heard gentlemen here talk about this bill being a tax on widows and orphans who own stocks and shares in great corporations.

Well, even widows and orphans when their shares make a net profit, after paying all taxes, insurance, interest, and a flat \$5,000, in excess of 8 per cent, are not going to complain. But we know that the money and the assets of the widow and the orphan are most generally invested in stocks and credits on which they do not get 4 per cent, and it is crocodile tears these gentlemen are shedding over the woes of the widow and orphan under the tax in this bill.

Now, you talk about threats to shift this burden to the backs of the poor at last. I want to give gentlemen who represent the big interests a little warning. The time will come, if poverty is still burdened harder and harder by the ingenuity of wealth, when the masses will rise, and they will make income taxes not what they are but far more, and make this excess tax not an eighth, but more. I want to tell you that some plan will be devised to make wealth pay its just proportion of taxes, and this is the best plan yet suggested. [Applause.]

The CHAIRMAN. The time of the gentleman has expired. Without objection, the pro forma amendment will be withdrawn, and the Clerk will read.

Mr. HARDY. Mr. Chairman, I ask leave to revise and extend my remarks.

The CHAIRMAN. Is there objection? [After a pause.] The Chair hears none.

The Clerk read as follows:

SEC. 204. That corporations exempt from tax under the provisions of section 11 of Title I of the act approved September 8, 1916, and partnerships carrying on or doing the same business shall be exempt from the provisions of this title, and the tax imposed by this title shall not attach to incomes of partnerships derived from agriculture or from personal services.

Mr. MEEKER. Mr. Chairman, I move to strike out at the bottom of page 5, line 25, beginning with the word "and," the remainder of the section.

The CHAIRMAN. The gentleman from Missouri offers an amendment, which the Clerk will report.

The Clerk read as follows:

Page 5, line 25, after the word "title" strike out the remainder of the section.

Mr. KITCHIN. Can we not agree on this to limit the debate to 10 minutes, I to take 2 minutes and you gentlemen to take 8?

Mr. MEEKER. That is satisfactory.

Mr. KITCHIN. Then I ask that.

The CHAIRMAN. The gentleman from North Carolina asks unanimous consent that all debate on this amendment and all amendments to the paragraph shall end in 10 minutes. Is there objection? [After a pause.] The Chair hears none.

Mr. MEEKER. Mr. Chairman, this amendment will assist the patriotic gentlemen who seem to think they have a monopoly on it, those who sit on the other side of the aisle, in raising more funds. This is not to cut out income, but this is to add to it. And inasmuch as most of the ranchmen are from Texas and Oklahoma and out through that country, and the sugar planters, through partnerships, have more than \$5,000 income, we might see a patriotic uprising here on the part of the ruralists once in a while. It has been very interesting, all the way through, to see that the patriotism comes from the rural districts but the funds from the cities. So this little proviso or exemption you have slipped into this bill because you do not want to tax the peasantry. We all know how much of a peasant is a farmer whose income is over \$5,000. We all know what a humble life the members of an agricultural partnership live, who can only make \$5,000 clear, traveling around in Cadillac automobiles and things of that sort, while the storekeepers in the town, who have partnerships, that may not make as much money as the farmer makes, will, under this bill, be compelled to come in and pay their share. The only reason that the farmer is exempted is not because of your particular fear of any peasant being affected by this, for you know it is not true. But it is the same old bunk and piffle that we have heard here for the last two years. You have voted millions to aid the farmer and the agriculturist, but you have not the nerve to take a cent away from the rich farmer to make him help pay the bill. If you just strike this out we will see how patriotic you are, you from the short-grass country and down amongst the sugar-cane districts of the South and out in Texas.

Now, as to your personal service. Your good friend who in some way or other never heard of a leak, though he made a million by accident; we have a sworn statement of how much he made in one day, so we can get a part of it. Attorneys, physicians, dentists, and of all these men who during this so-called Democratic prosperity which we are enjoying, and which I prefer to call "European prosperity in America," the men who, if anybody, are making money by the millions and tens of millions, are the brokers of this country who are dealing in "war babies." All we need to do is to cut this out and they will pay their share. Leave it in and they will be exempt. This does not reduce your income; it increases it. It does not take a penny from any poor farmer.

I have gotten tired of that kind of talk here on the floor of the House. As to this exemption of \$5,000, you can not give one single, sane reason why you should compel two men operating a store in a partnership that will make over \$5,000 a year to pay, while two men operating a farm at the edge of the same town, or a sheep ranch, who may clear \$100,000 a year will go scot free. [Applause on the Republican side.] It is the absolute absurdity of the situation that appeals to me. Talk about justice! There is not a man on this side of the floor who dares to say that that bill all the way through pretends to be a just law in the way of collecting taxes. You do not defend it on that ground. Your only defense is that you must have the money. And were it not for that you could not get a corporal's guard on that side of the aisle to vote for the bill, and you know it. [Applause on the Republican side.]

The CHAIRMAN. The time of the gentleman has expired.

Mr. MEEKER. I ask for two minutes more.

Mr. KITCHIN. The gentleman has used 5 minutes. The debate is limited to 10.

Mr. MEEKER. I ask for two minutes more, then.

The CHAIRMAN. Is there objection? [After a pause.] The Chair hears none.

Mr. MEEKER. Now, then, you have tried to leave the silly impression on this country that the men on the other side of the aisle, the Republicans, are opposing this bill because they do not want to pay their debts and their obligations. Do not forget the fact, gentlemen, that since 1896, when we fought out the question of paying 100 cents on the dollar, the country has understood who stands for paying their debts. [Applause on

the Republican side.] Here is the point: We are not objecting to the appropriation for protection, but you men are insisting on putting the American manufacturer at an additional disadvantage by not only refusing to compel the foreign merchant to pay his just share of these taxes, but by laying an additional tax burden on the American manufacturer and producer and merchant above what we already have.

Never have I heard a man on that side of this floor since I have been here who has stood up for the American manufacturer as against the foreign manufacturer. [Applause on the Republican side.] We have never yet, and we never will. I hold in my hand a letter which I wish to extend in the RECORD. I ask unanimous consent, Mr. Chairman, to extend my remarks by putting this in the RECORD to show how a manufacturing concern feels as to who will pay this tax. [Applause on the Republican side.]

The CHAIRMAN. The gentleman from Missouri asks unanimous consent to extend his remarks in the RECORD by printing the letter referred to. Is there objection?

There was no objection.

Following is the letter referred to:

ST. LOUIS, MO., January 30, 1917.

HON. JACOB MEEKER,
House of Representatives, Washington, D. C.

DEAR MR. CONGRESSMAN: We noticed last night by the papers that there is a bill either now before Congress or will be introduced which provides for a tax on profits of corporations in excess of 8 per cent of the capital and an addition of \$5,000 in addition to all other Federal taxes.

We hope you will oppose the passing of this bill. If enacted into law, it will cause legitimate business corporations a great deal of inconvenience and expense, at least for a year or two, until they can raise their prices enough to cover their additional expense. Ultimately this burden will be borne by the consumer and will increase the cost of living to that extent.

The effect of this law will be to increase the cost of living a great deal more than a protective tariff on imported goods, for the reason that the tariff on the imported goods, which is ultimately paid by the consumer, is effective and is paid only on the imported goods which the consumer uses, whereas this tax on excess profits of corporations will be a burden on every consumer, because the tax evidently is to apply on all kinds of corporations, those producing necessities as well as luxuries.

We notice in one of the big Chicago daily papers the statement is made that it was the intention of the committee where this bill originated to fix the law so that it would apply mostly to the population north of the Mason and Dixon line. We don't know whether that statement is correct or not as to the intention of the framers of the bill, but the effect will be that the population of the entire country, no matter where living, will bear the burden ultimately as produced by this bill.

The inconvenience, however, resulting from the bill, if made a law, will be first felt by the management and stockholders of the larger corporations, to be passed on to the public as soon as possible.

Thanking you in advance for your consideration, we are,

Yours, very truly,

LOOSE-WILES BISCUIT CO.,
HANFORD MAIN, Sales Manager.

Mr. KITCHIN. Mr. Chairman, of course I do not desire to reply to the real hostility which the gentleman from St. Louis [Mr. MEEKER] holds against the country farmer. I have seen men from cities before, but not often in this House, who really "have it in" for those who live outside of the corporate limits of a big city. Of course, they want everybody living on the outside of the corporate limits of a big city to pay all the taxes and have no exemption. In fact, the gentleman is one of the few men that I have come in contact with who has a contempt for the man who lives out in the country, the farmer.

There are the two reasons that I gave the other day why we exempt agricultural copartnerships. The first is that we believe the governments of other countries refrain from taxing agriculture, and the second is that it is more difficult to administer such taxes in the farming business than anywhere else.

England in levying her excess profits tax exempts farmers. I understand Russia, France, and Germany in levying their excess profits tax exempt agriculture. England exempts the farmer that the gentleman from St. Louis has so much contempt for, this fellow who lives out in the country and is making a living for himself and his wife and family and furnishes the food supply for the people who live in cities like St. Louis and for all mankind. [Laughter.]

We exempt the copartnership income from personal service, because personal-service incomes of corporation officers are not taxable under this bill. For instance, we wanted to put the members of a copartnership or firm in the same status as the managers of large corporations. You say here that a man who receives \$50,000, if we had not exempted him, would be taxed. If a lawyer goes into a corporation like a big insurance company, or if he is a big stockholder, and he is paid \$50,000 for his personal services, he would not have to pay a tax on his income from personal services under this bill, but both the partner and the corporation officer will have to pay their income

tax upon their net income. That is the reason why we exempted the personal services. I hope the amendment will be voted down.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Missouri [Mr. MEEKER]. The question was taken, and the amendment was rejected.

Mr. MANN. Mr. Chairman, I move to strike out the last word if the debate on that section has not been closed.

The CHAIRMAN. The debate on that section has been closed, the Chair will say to the gentleman. The Clerk will read.

The Clerk read as follows:

SEC. 205. That every corporation having a net income of \$5,000 or more for the taxable year making a return under Title I of such act of September 8, 1916, shall for the purposes of this title include in such return a detailed statement of the actual capital invested.

Every partnership having a net income of \$5,000 or more for the taxable year shall render a correct return of the income of the partnership for the taxable year, setting forth specifically the actual capital invested and the gross income for such year and the deductions hereinafter allowed. Such returns shall be rendered at the same time and in the same manner and form as is prescribed for income-tax returns under Title I of such act of September 8, 1916. In computing net income of the partnership for the purposes of this title there shall be allowed like deductions as are allowed to individuals in sections 5 (a) and 6 (a) of such act of September 8, 1916.

Mr. GREEN of Iowa. Mr. Chairman, I move to strike out the last word.

The CHAIRMAN. The gentleman from Iowa moves to strike out the last word.

Mr. GREEN of Iowa. I would like to offer something more than a formal amendment to this section if I thought there would be any use in offering it. Its provisions are so unfair, so unjust, with reference to its exemptions that I am at a loss to understand how any gentleman in this House can afford to vote for it.

The gentleman from North Carolina [Mr. KITCHIN], the distinguished chairman of the committee to which I belong, stated to-day that the opposition to this bill from the gentlemen upon this side was based solely upon the ground that we are in favor of indirect taxation. He also stated that the only complaint that was made upon this bill with reference to extravagance was with reference to the river and harbor bill and appropriations for post-office buildings. The gentleman was entirely mistaken so far as his statement applies to myself. The gentleman probably made the statement unwittingly, because fortunately or unfortunately he did not hear the remarks I made yesterday. I did not object to this bill solely on account of the general character of its taxation nor on account of the items he mentions. I objected to this bill because its provisions are so unfair and unjust, because it is so unfair between those which are exempt and those which are taxed, because it is so unfair between those classes that are taxed, that no man can justify the bill.

The gentleman from North Carolina in speaking a moment ago referred to firms of lawyers. I wish to call attention to a firm in the city where I live, one making \$50,000 a year by professional services, and another, a commercial partnership with four partners, each making something like \$10,000 or \$15,000 a year. These gentlemen who are members of a law firm, because their incomes are derived solely from professional services, will pay nothing under this bill, whereas those in the commercial organization, although their incomes are derived from personal services and perhaps largely from the service which the partners render, have to pay a high tax under this bill. Is there anyone who can justify a tax measure which is imposed in accordance with such a plan?

I say "plan," but there is really no plan in this bill, no theory, when it exempts entirely the income of individuals. The gentleman said the other day, when he opened this debate, that other countries did this. What other country? England or Germany or France? This is not an excess profit tax in any just sense of the term. It is not a tax on what a man might receive over and above the profits of a normal year. It is simply a hit or miss, catch as catch can, here and there measure, without any just plan, or rhyme or reason, or right. Certain persons who happen to receive an income from their business of over \$5,000 and 8 per cent on their capital, however small it may be, are taxed.

Here is a little partnership who use, say \$20,000 in their business. They have only \$10,000 of their own, and they borrow the rest of it. Did the gentleman ever figure out how much taxes they would pay if they happened to make \$10,000, which, divided among the four partners, if there were four partners, would give them only \$2,500 apiece. Why, they would pay somewhere between \$200 and \$300, nearer the latter sum. Right across the street from them is another man carrying on exactly this same business, but owning it individually. He would not pay a cent under this bill. Is there anyone who can justify the imposition of this tax upon any such principle as that? Why have they

done it? Simply because they hoped it would reach so few in its operation that there would not be a great amount of complaint. The gentleman from North Carolina said the other day that there would be a great deal of denunciation of this tax. That part of his statement was true, and when he and other gentlemen go home, after having voted for this bill, and are shown these inequalities, they will hear from their constituents. The American people have been carelessly, thoughtlessly, and often willingly and patriotically, paying their taxes. Each patriotic citizen ought to be willing to pay his taxes, and doubtless he is, but he wants other men in the same circumstances to pay the same amount that he does, and the people will demand it. [Applause on the Republican side.]

Mr. MANN. Mr. Chairman, I really want to get a little information. Take the case where there is a corporation with, say, \$1,000,000 capital invested and a partnership of the same amount, and each makes a profit of \$100,000 before any salaries are paid. Of course, in the partnership you can not pay salaries, I take it; but the corporation can pay salaries and usually does. The corporation pays salaries enough to absorb all of the profits above the 8 per cent and the \$5,000. Now, does this bill in such a case as that discriminate in favor of the corporation as against the partnership?

Mr. KITCHIN. No; I would not take it that way. I would say that the copartnership could pay reasonable salaries also to each one of the partners in a business like a mercantile or manufacturing business, just as a corporation pays its officers. Frequently they do. But take both cases that the gentleman puts; they are subject to the operation of the income-tax law.

Mr. MANN. Oh, no—

Mr. KITCHIN. Wait a minute.

Mr. MANN. The gentleman is mistaken about that, because the income-tax law does not apply to partnerships at all. It applies to partners, not to partnerships.

Mr. KITCHIN. It applies to corporations, and we put corporations and copartnerships on the same terms of equality in this bill. Now, the members of a copartnership can pay reasonable salaries. If, in the case of the corporation, they can charge enough to absorb all except 8 per cent, why, they could do it now under the income-tax law and absorb all the income; but they are not permitted to do that. They can get around the income tax just as much as they can get around the excess profits tax.

Mr. MANN. They are permitted to pay reasonable salaries to corporation officers.

Mr. KITCHIN. But that is not the proposition the gentleman put. The gentleman said suppose they should go on and raise the salaries enough to absorb all the profits.

Mr. MANN. I did not say anything about raising salaries.

Mr. KITCHIN. Or giving them salaries.

Mr. MANN. I said paying ordinary, reasonable salaries.

Mr. KITCHIN. No; the gentleman did not say that.

Mr. MANN. I said, "pay salaries." I assumed that. I did not say anything about raising salaries.

Mr. KITCHIN. No; the gentleman said pay them enough to absorb all except 8 per cent.

Mr. MANN. That would be only \$20,000, which would not be exorbitant in the case I put.

Mr. KITCHIN. Will the gentleman put the case, then?

Mr. MANN. I did put the case. In the case of the partners, they agree among themselves that each one will draw out so much. That is all right. That is not the payment of a salary. A partner gets a profit for his services and investment, whatever it may be. He may get a credit on the books, but how can the partners as against this law pay salaries to themselves?

Mr. KITCHIN. I will answer the gentleman. In a business copartnership, of course they might hire some one to attend to the business and go away and give more attention to something else, and in such a case they could not pay salaries to themselves, but if, instead of hiring some one to do it, they should perform the services themselves, they would be allowed under the law a reasonable amount for salaries as a part of their operating expenses before beginning to compute net profits, exactly as in the case of a corporation.

Mr. MANN. I hope that the Treasury Department will not only read this statement of the gentleman from North Carolina, but that they will cut it out and paste it on the wall in front of them, and construe the law in that way. I am very confident no law has ever been construed in that way before.

Mr. KITCHIN. I am just as confident, as I am that I am here, that they will not construe it in any other way.

Mr. MANN. I hope the gentleman is right.

Mr. KITCHIN. I thought about that. We thrashed that over, and I am pretty certain that the present Treasury Depart-

ment would construe it that way, because it is right and just, and they ought to do it.

The CHAIRMAN. The time of the gentleman has expired. Without objection the pro forma amendment will be considered as withdrawn.

Mr. DALLINGER. Mr. Chairman, I move to strike out the last two words. I listened with a great deal of interest to the gentleman from North Carolina [Mr. KITCHIN] and also to the gentleman from Wisconsin yesterday, when they ridiculed in the most scathing language the idea that the foreign producer would ever, under any circumstances, pay any portion of the tariff tax. Now, I propose in the few minutes I have to discuss this question of a tariff simply as a revenue producer without any reference to the question of protection.

When the Underwood tariff bill was passed the Treasury of the United States was deprived of over \$200,000,000 of revenue, which might have paid the deficit caused by the appropriations made by the Democratic majority. Now, if the gentleman from North Carolina and the gentleman from Wisconsin are correct the people of this country, by the passage of the Underwood tariff bill, were relieved of over \$200,000,000 of taxes on consumption. I challenge any man on the Democratic side to state any commodity that was reduced in price to the American consumer as the result of the passage of the Underwood tariff law. [Applause on the Republican side.] Now, if the price was not reduced, who profited by the taking off of the tariff tax? There is only one answer—the foreign producer. Let me give you one example. Time will not permit me to give more. This is an illustration that applies right in New England. The Payne-Aldrich law levied a duty of \$4 a ton on hay coming from Canada. The Underwood bill reduced that tax to \$2 a ton. Hay sold for just the same price. Who profited? There is only one answer—the Canadian producer of hay. I do not pretend to say what the causes are for the present economic conditions of the world, but I know, and every man who has studied the question knows, that the conditions being as they are and as they will be after the close of the European war, if you should try to raise this revenue, as we suggest, by increasing tariff duties, the foreign producer would pay a very large part of the \$200,000,000 which you refuse to raise in that way. [Applause on the Republican side.] We on the Republican side of the House simply say that we would raise this money by a tariff tax on competitive articles and thus get the revenue; make the foreign producer pay a part of the expenses of our Government and at the same time put this country in a position to meet the terrific competition that is certain to come when the European war closes. [Applause on the Republican side.]

The Clerk read as follows:

SEC. 207. That the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, shall make all necessary regulations for carrying out the provisions of this title, and may require any corporation or partnership subject to the provisions of this title to furnish him with such facts, data, and information as in his judgment are necessary to collect the tax provided for in this title.

Mr. LONGWORTH. Mr. Chairman, I move to strike out all of Title II.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Amend by striking out all of Title II, beginning with line 22, page 2, down to and including line 15, on page 7.

Mr. KITCHIN. Mr. Chairman, I would like to ask the gentleman from Ohio if we can not limit the debate. How much time does the gentleman want?

Mr. LONGWORTH. So far as I am concerned, I only want five minutes. I have already gone into the merits of the question.

Mr. KITCHIN. Mr. Chairman, I ask that all debate close in 25 minutes on the title and amendments thereto, and that the gentleman from Ohio may control 15 minutes and I 10 minutes.

The CHAIRMAN. The gentleman from North Carolina asks unanimous consent that all debate on the title and amendments thereto close in 25 minutes, 15 minutes to be controlled by the gentleman from Ohio [Mr. LONGWORTH] and 10 minutes by himself. Is there objection?

There was no objection.

Mr. LONGWORTH. Mr. Chairman, the effect of this amendment, if adopted, will be to strike from this bill what I regard as its most obnoxious provision, to wit, the tax imposed upon excess profits.

The gentleman from North Carolina this morning, in his very eloquent speech, laid down an entirely novel proposition. The effect of his statement was that in any revenue bill brought in by one party, which happened to be in power, to raise revenue made necessary for any reason, whether by extravagance, as in this case, or revenue necessary to support the Government, that

objection to that form of taxation was unpatriotic. He said that it was the part of patriotism for this side to support every item in this bill whether we agreed with it or not. Is it not apparent that the logical conclusion of that proposition would have led the gentleman from North Carolina to have voted for the Payne bill in this House, whereas his vote in favor of that bill was conspicuous by its absence, as I recall. We are opposed to all of this bill, but we are opposed particularly to that section in it which lays a direct tax on efficiency of production.

Let me call the attention of gentlemen to one class of corporations which will be particularly injuriously affected by this excess-profit tax. I refer to those corporations which disseminate throughout the country information for the use of the people. Newspapers above all other corporations will be called upon to pay this tax. Why? Because under the terms of this bill no corporation engaged in publishing a newspaper can take into consideration the value of its good will; in other words, that which makes a newspaper a success—enterprise, economy of management, and ability of management—is taxed in this bill. The plant of a newspaper is relatively of small significance. Probably in the average newspaper of this country its actual plant is not 20 per cent of its value as a going institution. And yet, under this bill no newspaper can consider as a part of the capital upon which these excess taxes are imposed anything except cash value of the plant and of its assets. There is not a newspaper published in this country, I venture to say, which is a going concern, that does not make more than 8 per cent on its capital as provided in this bill, and I do not think this is a wise or a proper time to put a heavy tax upon the newspapers of this country when you consider that they are called upon to pay twice as much this year for print paper as they paid last year.

Mr. BYRNES of South Carolina. Will the gentleman yield?

Mr. LONGWORTH. Yes.

Mr. BYRNES of South Carolina. I was about to ask the gentleman that question. Does the gentleman place any dependence upon the statements of the newspapers at this time that the cost of paper renders it impossible for them to make any money? If that is so, how does the gentleman believe that they are in danger of paying the excess-profit tax provided for in this bill?

Mr. LONGWORTH. If the gentleman pleases, every newspaper in this country depends for its success upon the ability and efficiency of its management. Now, at this particular time when they are under that disadvantage of having to pay twice as much for raw material, is it not a poor time to come in and tax them more? I do not believe in these taxes imposed upon partnerships or individuals. It is a tax on efficiency and not a tax on the magnitude of operations.

Mr. GREEN of Iowa. Will the gentleman yield?

Mr. LONGWORTH. Yes.

Mr. GREEN of Iowa. I believe the gentleman from Texas said that he would not object to a 50 per cent tax in this bill. It would not strike him at all, would it?

Mr. LONGWORTH. Not at all. Now, I yield five minutes to the gentleman from Pennsylvania [Mr. KREIDER].

Mr. KREIDER. Mr. Chairman, I shall not speak against the methods of taxation embodied in this bill, but I desire to call the attention of our Democratic friends who are responsible for the legislation enacted in the Sixty-third and Sixty-fourth Congresses to a few facts that seem to be pertinent. I do not want to speak from a partisan standpoint, but I would like to call their attention with all sincerity to the condition of the country. I take it that the passage of this bill is intended to bring in a revenue to the Government not only for the year of 1917 but for the years to come.

I want to call your attention to the fact, which you know, that in this country at this time the prices of labor, of commodities, of food, of everything that we eat and use, everything that is bought and sold, have been doubled and redoubled. Our manufacturing industries have been run to their fullest capacity; in fact, they have doubled up on their capacity, and profits have been abnormal and enormous, and no doubt at the present time this bill will bring in a large revenue; but let me call your attention to the fact that the European countries that are now engaged in war have not dismantled their mills, nor their factories, but, if the press reports can be believed, they are producing and manufacturing more goods in the belligerent countries such as England and France than they were before the war. When the millions of men now in the Army return from the trenches, together with the men who are now engaged in supplying those in the trenches with munitions of war and the sustenance which they need, join the army now engaged in useful production, where do you suppose these people will find a market for their goods? They will be upon

a low basis of cost, whereas in the United States we will be upon an extremely high level and basis of cost. Do you think for one moment that we can compete in neutral markets and hold our trade? Do you think for a moment that we can even command and retain our own markets for our own industries? Why, gentlemen, you know that every civilized country on earth to-day has a protective tariff, with the exception of England; and England, the defender and champion of free trade, is now preparing to build up her industries and the foundation of that industrial structure will be her own home market, and the chief corner stone of it will be a protective tariff. Is this country to open her market to the manufacturers of the world while all other countries protect their markets by tariff laws? Gentlemen, if we needed a protective tariff for no other purpose, we need it for the purpose of making reciprocal treaty relations with foreign countries that do have protective tariff laws, so as to give our industries and our labor such advantages as may be gained by these treaties. [Applause on the Republican side.]

Mr. KITCHIN. Mr. Chairman, I yield five minutes to the gentleman from California [Mr. KENT].

Mr. KENT. Mr. Chairman, if I were talking for myself as an individual I certainly would be opposed to this bill. It is an attempt to secure money, necessary money, and necessarily from those that have it. It has been alleged that it is a tax on efficiency, and those who advocate that the bill should be beaten because it is a tax on efficiency at the same time stand for a protective tariff, which often means a bounty on inefficiency. [Applause on the Democratic side.] What we ought to have is a tax on privilege. I do not see how we are going to get it right away, and all we can do is to obtain it step by step. This tax is a hard tax upon any man with property to die under, but at the same time we must realize that the right of inheritance is one that is furnished only by the protection of society, and therefore we can have no more righteous tax than a tax to protect the society that protects the dead man in transferring his property to posterity.

All of us have been guilty of voting for bills that are called extravagant, we all have been scared by the war situation, and I do not think we have been wrong or cowardly in our scare. We have all known that this country is upon the verge of trouble, and I, who have advocated every possible means of keeping out of trouble, have felt in duty bound to stand for such measures that recognize the necessity for preparedness and such as will help us to be adequately ready for trouble if it is forced upon us. If there has been extravagance we are all of us to blame. Here and now I as a nonpartisan wish to state that I have seldom seen a bill representing fool extravagance emanate from the Democratic side of the House that did not get a measure of enthusiastic support from the Republican side, and oftentimes that support was confessedly dishonest and furnished for the specific object of putting the Democratic Party in a hole. [Applause on the Democratic side.] I make this statement deliberately and as a matter of my own knowledge. Here we are together, Democrats and Republicans, and I humbly and incidentally in the middle of the road, facing a tremendous deficit. How are we going to get funds? Are we going to get them by taxing those that can afford to pay by a direct tax that our people will feel and that will make them call for an accounting, or are we going upon the absurd assumption urged by some Republicans that the foreigner can be made to pay our taxes for us? I claim that the best way we can raise revenue at a time like this is to put the tax directly upon the people that can afford to pay and to make them realize thereby that they are responsible for the situation in which we find ourselves, in so far as they are responsible. In such case they will call for an accounting of methods of expenditure of the taxes levied. The protective tariff is an indirect method and, to my mind, a cowardly method of providing revenue, although I have much sympathy with the idea of fostering industries that ought to be encouraged, if by a start given by such protection they can eventually become strong and self-supporting; but under other conditions the protective tariff bears most heavily upon those least able to bear it.

This bill, with all its faults—and I could criticize it in many of its details—levies a direct tax upon existing wealth that is going to drive into our people the necessity of knowing the state of our public affairs, a knowledge of what is needed for preparedness, and will force those who have a surplus to pay the bills.

I as a person in the class of those who have a surplus am glad to be able to make my contribution to the Nation's needs through this direct taxation. [Applause on the Democratic side.]

Mr. LONGWORTH. Mr. Chairman, I yield the remainder of my time to the gentleman from Illinois [Mr. MANN].

Mr. MANN. Mr. Chairman, I should not have arisen at all except for the speech of the gentleman from California [Mr. KENT] and one statement that he made therein. Of course he and I do not agree on the tariff system. I am not going to discuss that. I understood the gentleman to say, and he said that he spoke from his own knowledge, that Republicans had frequently voted for appropriations in order to put the Democrats in a hole. The gentleman may have so voted himself, not as a Republican but as representing Independents. I say the statement is absolutely without foundation in fact, so far as the Republican side of the House is concerned. [Applause on the Republican side.] I think I can speak with some knowledge. I am here in the House and have given attention to appropriations in the House, close attention, for many years. There is always a disposition on the part of Members on each side to vote with the Member of their own side who offers an amendment. As I say, the gentleman from California can speak for himself, not for the Republicans; but I can speak for the Republican side of the House, and I speak with knowledge, and I know that we have never voted for appropriations unless we believed the granting of the appropriations was for the benefit of the country itself. [Applause on the Republican side.]

Mr. KENT. Will the gentleman yield?

Mr. MANN. Certainly.

Mr. KENT. Did the gentleman vote for the original Shackleford good-roads bill in the Sixty-second Congress?

Mr. MANN. I do not remember whether I did or not.

Mr. KENT. I know the gentleman did not believe in it.

Mr. MANN. The gentleman is mistaken. I made a speech on the subject.

Mr. STAFFORD. The gentleman from California is rarely here to testify.

Mr. MANN. The gentleman from California is speaking wildly. I did not vote for the roads bill the last time. I said when the first roads bill was before the House that the cities in normal times could well afford to help the country. I believed it then, and I believe it now. The gentleman from California, as highly as I regard him, does not carry my conscience within his.

Mr. KENT. I would hate to have the job. [Applause on the Democratic side.]

Mr. MANN. Well, it would improve the gentleman's conscience very considerably. The gentleman from California having found he made a misstatement, now gets surly about it, I regret to say.

Mr. KITCHIN. Mr. Chairman, has the gentleman on the other side consumed all his time.

The CHAIRMAN. The gentleman has one minute remaining.

Mr. LONGWORTH. I yield the gentleman that one minute.

Mr. KITCHIN. Mr. Chairman, I hope this amendment will be voted down because the provision is very vital to the bill. The gentleman from Ohio [Mr. LONGWORTH] moves to strike out the excess-profit tax, which is very vital to the bill, and I hope the committee will vote down his proposition emphatically. I call for a vote.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio.

The question was taken, and the Chairman announced the yeas appeared to have it.

On a division (demanded by Mr. MANN) there were—ayes 129, noes 146.

Mr. MANN. Mr. Chairman, I ask for tellers.

The tellers were ordered.

The committee again divided; and the tellers (Mr. MANN and Mr. ALLEN) announced that there were—ayes 142, noes 191.

So the amendment was rejected.

The Clerk read as follows:

TITLE III.—ESTATE TAX.

SEC. 300. That section 201, Title II, of the act entitled "An act to increase the revenue, and for other purposes," approved September 8, 1916, be, and the same is hereby, amended to read as follows:

"SEC. 201. That a tax (hereinafter in this title referred to as the tax), equal to the following percentages of the value of the net estate, to be determined as provided in section 203, is hereby imposed upon the transfer of the net estate of every decedent dying after the passage of this act, whether a resident or nonresident of the United States:

"One and one-half per cent of the amount of such net estate not in excess of \$50,000;

"Three per cent of the amount by which such net estate exceeds \$50,000 and does not exceed \$150,000;

"Four and one-half per cent of the amount by which such net estate exceeds \$150,000 and does not exceed \$250,000;

"Six per cent of the amount by which such net estate exceeds \$250,000 and does not exceed \$450,000;

"Seven and one-half per cent of the amount by which such net estate exceeds \$450,000 and does not exceed \$1,000,000;

"Nine per cent of the amount by which such net estate exceeds \$1,000,000 and does not exceed \$2,000,000;

"Ten and one-half per cent of the amount by which such net estate exceeds \$2,000,000 and does not exceed \$3,000,000;

"Twelve per cent of the amount by which such net estate exceeds \$3,000,000 and does not exceed \$4,000,000;

"Thirteen and one-half per cent of the amount by which such net estate exceeds \$4,000,000 and does not exceed \$5,000,000; and

"Fifteen per cent of the amount by which such net estate exceeds \$5,000,000."

Mr. FULLER. Mr. Chairman, I move to strike out, on page 8, lines 4 and 5.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Amend, on page 8, by striking out lines 4 and 5.

Mr. FULLER. Mr. Chairman, it is proposed by this paragraph—

Mr. KITCHIN. Mr. Chairman, before the gentleman proceeds, can not we have some time limit within which we may make amendments and discuss this section?

Mr. MANN. We would like to have 20 minutes on this side on the section.

Mr. KITCHIN. Mr. Chairman, I will ask that all debate of the section and all amendments thereto close in 25 minutes, 20 minutes to the other side and 5 minutes for this.

The CHAIRMAN. The gentleman from North Carolina asks unanimous consent that all debate on this section and amendments thereto close in 25 minutes. Is there objection? [After a pause.] The Chair hears none.

Mr. FULLER. Mr. Chairman, it has been said very many times in this debate that the tax would not be upon the poor people, but upon those best able to pay. Under this provision of the bill every estate, if it does not amount to more than \$100, is compelled to pay a tax of 1½ per cent on that estate. It is a proposition to tax the widow's mite and the orphan's pittance. The expense alone of enforcing this provision upon small estates would be more in very many cases than the amount realized. It is, in my judgment, the most unjust provision in this entire bill. A widow left with nothing but her homestead worth \$1,000 would be compelled to pay, under this provision, an inheritance tax of 1½ per cent, or \$15 upon her little homestead before she had a clear title to it. I insist that if there is any justice in this kind of legislation that there should be a limit of exemption where estates would not be taxed. In very many cases, probably in the great majority of cases, the estates are very small, and it would be a hardship such as we have never before known in any taxing system if a widow left with a small estate of a few hundred dollars or a thousand dollars was compelled to pay this tax.

Mr. HELVERING. Will the gentleman yield?

Mr. FULLER. I will.

Mr. HELVERING. Is the gentleman aware of the fact that there is a \$50,000 exemption in this bill?

Mr. FULLER. No; there is no exemption whatever under this provision. It says "1½ per cent of the amount of such net estate not in excess of \$50,000." When it exceeds \$50,000 up to \$150,000, it is 3 per cent.

Mr. HELVERING. I will say to the gentleman before the net estate tax commences to apply there is a \$50,000 exemption.

Mr. FULLER. There is no exemption provided by this bill if as a lawyer I am able to read. It is 1½ per cent of the amount of such net estate not in excess of \$50,000. That is the first provision. That is what I propose to strike out, and then it would leave the exemption of \$50,000 as claimed.

Mr. HELVERING. If the gentleman will allow, I will say that the same exemption applies to this law as applied to the tax law which we passed a year ago, and there is a \$50,000 exemption before any tax applies.

Mr. FULLER. Then why this provision? It certainly should be stricken out, because it would have no place in the bill. Under this bill the provision reads that all estates not in excess of \$50,000 shall pay a tax of 1½ per cent.

If you are correct in your opinion, then this amendment certainly should prevail. I think there should be an exemption of \$50,000, as in the former law.

Mr. GREEN of Iowa. Will the gentleman yield?

Mr. FULLER. Certainly.

Mr. GREEN of Iowa. I think the gentleman is mistaken about that. The old law read "1 per cent of the amount of such net estate," meaning the amount above \$50,000. Now they have made this, instead of 1 per cent, 1½ per cent, increasing it 50 per cent.

Mr. FULLER. Where is the exemption here?

Mr. GREEN of Iowa. It is in the further provisions of the law that we enacted, in the last revenue law.

Mr. FULLER. It rewrites this section 201?

Mr. GREEN of Iowa. To which this is an amendment, as the gentleman well understands. It amends the provisions of the former law so as to read in the manner that is now provided in this law.

Mr. FULLER. Then, there can be no objection to striking out this provision, and then it would be clear, because the next clause provides for a tax on an amount in excess of \$50,000.

Mr. GREEN of Iowa. No. This provision here applies to the amount above \$50,000, reaching up to \$100,000, if you take all the law together. The trouble is we have got only a small proportion of the law before us in this bill. The rest of it is found in the bill that we enacted last year.

Mr. ROBERTS of Massachusetts. Will the gentleman yield?

Mr. GREEN of Iowa. Yes.

Mr. ROBERTS of Massachusetts. Can the gentleman tell me what section of the act of last year contains the exemptions? Was it section 201?

Mr. GREEN of Iowa. It is in section 203.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. GREEN of Iowa. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. GREEN of Iowa. I wish to offer an amendment to this section—a different amendment—and, as I understand, some time has been provided for me. At what point should it be offered? After this amendment is disposed of?

The CHAIRMAN. Heretofore amendments have been offered under similar agreement and considered as pending. The Chair will recognize the gentleman now for offering an amendment.

Mr. GREEN of Iowa. I will offer an amendment and then be heard on it later.

Mr. KITCHIN. Offer it and let it be pending.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Amendment offered by Mr. GREEN of Iowa: Page 9, after line 2, insert a new paragraph, as follows:

"SEC. 203. Paragraph 2 of subdivision 8. An exemption of \$50,000 and a further exemption of such a sum, if any, as shall be devised or bequeathed solely for public, benevolent, or charitable uses or purposes."

The CHAIRMAN. Does the gentleman desire recognition?

Mr. GREEN of Iowa. Yes.

The CHAIRMAN. The gentleman is recognized for five minutes.

Mr. GREEN of Iowa. Mr. Chairman, in the reading of this amendment, which is hardly intelligible by itself, the committee will need to bear in mind that we are amending the law which we enacted last year by reference to the provisions of that bill. I offer now a further amendment to one of the sections in the old law.

Among the exemptions in the old law was one for \$50,000 before any tax could be imposed at all. My amendment adds to this a further provision to the effect that any sum bequeathed for charitable, benevolent, or public purposes shall also be exempted.

Now, Mr. Chairman, it was said by one speaker here that we had reached so far in our taxation in order to carry on the expenses of this Government that it was necessary to rob the cradle and the grave. However correct that may be, we certainly have reached a point, as the law now stands, so that we are taxing our hospitals, we are taxing our homes for the aged, we are taxing any sum that is offered for benevolent and public purposes whatever. The gentleman from North Carolina [Mr. KITCHIN], in his very able speech on yesterday, said that this tax was patterned after the tax which has been imposed by the Governments of Europe. I do not know of any Government that has gotten so far in its system of taxation that it has felt compelled to tax the sums that are to go to hospitals or to charitable purposes generally. If so, I have not been able to find it. But, if that is true, the extravagance of this administration has brought us to a point where we are lower even than Governments which are engaged in a life and death struggle to maintain their very existence, and grasping for every possible resource in the way of tax. What excuse can be given for this provision? Why should we tax these sums that go entirely for benevolent purposes, and then afterwards award some public help to those who would otherwise be benefited by them? This provision is like the other provisions of the bill. It is without excuse or justification. [Applause on the Republican side.]

Mr. MORGAN of Oklahoma. Mr. Chairman—

The CHAIRMAN. The gentleman from Oklahoma is recognized for five minutes.

Mr. MORGAN of Oklahoma. Mr. Chairman, I wish in the time I have to call attention to the amount of tax which the State of Oklahoma paid in 1916. Oklahoma is a new State. Under the ordinary internal-revenue tax her people paid \$31,251.57 in taxation. But under the emergency-revenue act and the income tax on corporations and individuals, under act of October 3, 1913, she paid \$1,336,000 in 1916. In all direct

internal-revenue taxes Oklahoma in 1916 paid \$1,361,289.06. In 1917, under the act of September 8, 1916, the direct taxes of Oklahoma to support the Federal Government practically will be doubled, making us a tax for 1917 of probably \$3,000,000. And under this new act we are now about to pass we may add more than half a million more, requiring the people of Oklahoma under your system of taxation to pay nearly \$4,000,000 of direct taxes. We, of course, do not stand with great States like New York and Illinois and Pennsylvania in the amount of taxes we pay, but the amount of taxes we pay make a remarkable showing compared with the amount paid by many States, and are an index to our great natural resources, our extensive business, and progressive character of our citizens. With less than 10 years of Statehood Oklahoma is contributing a highly creditable amount to support the Federal Government. To show this let me make some comparisons. There were 31 States in this Union in 1916 that paid less individual-income tax than was paid by the people of Oklahoma. In the Union as a sovereign State less than 10 years, yet in the personal-income tax paid the Federal Government 31 States trail behind Oklahoma. Twenty-four States paid less corporation-income tax than Oklahoma, and 21 States paid less of the so-called emergency revenue. Out of 22 States west of the Mississippi River only Texas, Missouri, Minnesota, and California paid more taxes under the individual-income tax last year than did Oklahoma. There are 10 States in this Union which, combined together, did not on the individual-income tax pay as much last year as did Oklahoma. These 10 States are Arizona, Arkansas, Idaho, Mississippi, Nevada, New Mexico, North Dakota, South Dakota, Wyoming, and Utah. The total paid by these 10 States was \$420,095.81.

Mr. SMITH of Michigan. Mr. Chairman, will the gentleman yield?

Mr. MORGAN of Oklahoma. Yes.

Mr. SMITH of Michigan. I was much surprised to hear that Oklahoma paid more individual income tax than Iowa.

Mr. MORGAN of Oklahoma. That is true. Oklahoma paid more than Iowa, and more than the great State of Indiana, and more than Colorado. In 1916, Oklahoma, in individual income tax, paid \$489,440.08, Iowa paid \$277,098.45, and Indiana paid \$410,320.06, and Colorado paid \$342,478.80.

Think about that, my friends. Oklahoma, on the individual income tax, paid more than Indiana, more than Iowa, more than Colorado; three times as much as either West Virginia, Maine, or Nebraska; nearly three times as much as the State of Kentucky, four times as much as New Hampshire or Oregon, five times as much as Utah, six times as much as South Carolina, seven times as much as Mississippi, ten times as much as Idaho, twelve times as much as North Dakota, twenty-four times as much as South Dakota, and ninety-seven times more than was paid by Nevada. [Applause.] The following Southern States, 12 in number, in 1916 paid less individual income tax than was paid by Oklahoma, namely, Alabama, Arkansas, Florida, Georgia, South Carolina, Tennessee, Virginia, and West Virginia.

Now, then, in all seriousness, if this direct tax was not levied upon the people of Oklahoma by the Federal Government the people there could utilize this tax upon this great wealth that we are building up in that great State to lift the burden off the taxpayers, who must support the State government and the county and city and other local governments. That is my chief objection to this system of taxation. I want to see this \$3,000,000 used to relieve the burdens of our home taxpayers in support of the local governments.

I am glad, if I can not agree with my Democratic friends from Oklahoma as to the kind of taxation that we should levy, that we all agree that, for its age—Oklahoma has been only 10 years in the Union—the State of Oklahoma, in her wealth, in her resources, in her industries, and in the character of her people is not equaled by any other State in the Union. [Applause.]

The CHAIRMAN. The time of the gentleman from Oklahoma has expired.

Mr. FULLER. Mr. Chairman, I withdraw the amendment that I offered.

The CHAIRMAN. Without objection, the amendment of the gentleman is withdrawn.

There was no objection.

Mr. KITCHIN. I am sorry, of course, that I can not agree with the gentlemen from Iowa [Mr. GREEN] and Oklahoma [Mr. MORGAN]. I can not agree with them as to the method. I wish we could agree. I ask for a vote, Mr. Chairman.

Mr. GREEN of Iowa. Mr. Chairman, I ask that my amendment may be again reported.

The CHAIRMAN. Without objection, the Clerk will again report the amendment offered by the gentleman from Iowa [Mr. GREEN].

The Clerk read as follows:

Amendment offered by Mr. GREEN of Iowa: On page 4, after line 2, insert a new paragraph, as follows:
"SEC. 203. Paragraph 2 of subdivision (a). An exemption of \$50,000, and the further exemption of such a sum, if any, as shall be devised or bequeathed solely for public, benevolent, or charitable uses or purposes."

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Iowa [Mr. GREEN].

The question was taken, and the chairman announced that the "noes" seemed to have it.

Mr. GREEN of Iowa. A division, Mr. Chairman.

The CHAIRMAN. A division is demanded.

The committee divided; and there were—ayes 102, noes 127. So the amendment was rejected.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

TITLE IV.—MISCELLANEOUS.

SEC. 400. That the Secretary of the Treasury is hereby authorized to borrow on the credit of the United States from time to time such sums as in his judgment may be required to meet public expenditures on account of the Mexican situation, the construction of the armor-plate plant, the construction of the Alaskan Railway, and the purchase of the Danish West Indies, or to reimburse the Treasury for such expenditures, and to prepare and issue therefor bonds of the United States not exceeding in the aggregate \$100,000,000, in such form as he may prescribe, bearing interest payable quarterly at a rate not exceeding 3 per cent per annum; and such bonds shall be payable, principal and interest, in United States gold coin of the present standard of value, and both principal and interest shall be exempt from all taxes or duties of the United States as well as from taxation in any form by or under State, municipal, or local authority, and shall not be receivable by the Treasurer of the United States as security for the issue of circulating notes to national banks: *Provided*, That such bonds may be disposed of by the Secretary of the Treasury at not less than par, under such regulations as he may prescribe, giving all citizens of the United States an equal opportunity therefor, but no commissions shall be allowed or paid thereon; and a sum not exceeding one-tenth of 1 per cent of the amount of the bonds herein authorized is hereby appropriated, out of any money in the Treasury not otherwise appropriated to pay the expenses of preparing, advertising, and issuing the same: *And provided further*, That in addition to such issue of bonds the Secretary of the Treasury may prepare and issue for the purposes specified in this section any portion of the bonds of the United States now available for issue under authority of section 39 of the act entitled "An act to provide revenue, equalize duties, and encourage the industries of the United States, and for other purposes," approved August 5, 1909: *And provided further*, That the issue of bonds under authority of this act and any Panama Canal bonds hereafter issued under authority of section 39 of the act entitled "An act to provide revenue, equalize duties, and encourage the industries of the United States, and for other purposes," approved August 5, 1909, shall be made redeemable and payable at such times within 50 years after the date of their issue as the Secretary of the Treasury, in his discretion, may deem advisable.

Mr. MOORE of Pennsylvania. Mr. Chairman, I move to strike out the last word.

The CHAIRMAN. The gentleman from Pennsylvania moves to strike out the last word.

Mr. MOORE of Pennsylvania. Mr. Chairman, this is a bond-issuing paragraph.

Mr. KITCHIN. Mr. Chairman, before the gentleman from Pennsylvania begins, can we limit the time for debate on the amendment? Let us vote on it in five minutes.

Mr. MOORE of Pennsylvania. I merely wish to speak for five minutes.

Mr. KITCHIN. Mr. Chairman, I move that all debate on this section and amendments thereto close in 15 minutes.

The CHAIRMAN. The gentleman from North Carolina moves that debate on this section and all amendments thereto close in 15 minutes. The question is on agreeing to that motion.

The motion was agreed to.

The CHAIRMAN. The gentleman from Pennsylvania [Mr. MOORE] is recognized.

Mr. MOORE of Pennsylvania. Mr. Chairman, a great deal has been said about the policies of the two parties in the course of this debate. We have now reached the bond-issuing paragraph of this bill. It is a sad story from the Democratic viewpoint. The next paragraph, relating to certificates of indebtedness, will be equally sad, because in each instance the dear old Democratic Party, that professes to believe in "paying as you go," is obliged to resort to Republican constructive measures to secure money to get itself out of debt. You find in this paragraph that the Secretary of the Treasury is authorized to borrow money under the provisions of what may be briefly called the Spanish-American War act, which was unquestionably a Republican measure.

The President of the United States has had the power right along to issue certificates of indebtedness under that act, but he did not want to become a bond-issuing President.

In the paragraph under consideration authority is obtained for the issuing of bonds under the Panama Canal act. That

was a Republican measure. It will be borne in mind that the Republicans passed the Panama Canal act, and that they did not issue all the bonds authorized under that act to construct the Panama Canal, but that they did take in money enough as they went along to pay as they went and to pay for the Panama Canal almost entirely out of the current revenues of the United States.

When the gentlemen on the other side want to contrast the constructive policies of the two parties they should remember that every bill that has been brought into this House from the Committee on Ways and Means since the Democrats have been in power has been a bill to tax the people to create revenue. They want to remember also that many of these taxes are being raised from the masses of the people, despite the fact that the Republican administration never had to tax the people directly, but provided always for the current expenses of the Government and for many permanent improvements, like the Panama Canal, out of revenues obtained for current expenses derived very largely from the much-berated Republican protective-tariff law.

Mr. SLOAN. Mr. Chairman, will the gentleman yield?

Mr. MOORE of Pennsylvania. Yes.

Mr. SLOAN. Will the gentleman explain why this bond issue was not proposed last year instead of now?

Mr. MOORE of Pennsylvania. The President had just as much authority last year to issue bonds as he has now; but the President was afraid to go to the country prior to the election with a bond issue staring him in the face. [Applause on the Republican side.] And the Democratic Party, knowing it would have to meet these deficiencies, knowing it would have to provide for greater deficiencies, waited until after the November election before it dared to bring this bill into the House.

And is this all? My brothers upon the Republican side of the House, read the paragraphs that we are now approaching and observe that provision is being made for future expenditures, and discretion is being given to the Secretary of the Treasury. Then recur to page 2 and read the proviso beginning in line 18, where, after the issue of the Panama Canal bonds for the purpose of meeting the Mexican war expenditures, the Secretary of the Treasury is given authority to use the Mexican war funds as he may see fit "for other purposes." In other words, we are doing an extraordinary thing, a thing that would shame the legislature of an average State or the councilmanic body of an average municipality. We are giving to the Secretary of the Treasury the power to divert funds which are being voted now for the purpose of meeting expenditures upon the Mexican border, to use them "for other purposes," which other purposes can mean nothing else than new deficiencies that the Treasury will have to meet, despite the enormous taxes that we are now about to levy to meet the present emergency. [Applause on the Republican side.]

The CHAIRMAN. The time of the gentleman has expired. The gentleman from Iowa [Mr. GOOD] is recognized for five minutes.

Mr. GOOD. Mr. Chairman, I move to strike out the section and to insert a new section in lieu thereof.

The CHAIRMAN. The gentleman from Iowa offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment by Mr. GOOD: Strike out section 400, beginning in line 9, page 9, and ending in line 4, page 11, and substitute the following:

"SEC. 400. That there shall be levied, collected, and paid on all distilled spirits in bond at the time of the passage of this act, or that have been or that may be then or thereafter produced in the United States, on which the tax is not paid before that day, a tax of \$1.25 on each proof gallon or wine gallon then below proof, and a proportionate tax at a like rate on all fractional parts of such proof or wine gallon. And section 3252, as amended by section 1 of the act of March 3, 1875, and as further amended by section 48 of the act of March 28, 1894, is hereby amended accordingly."

Mr. KITCHIN. Mr. Chairman, I make a point of order against the amendment.

Mr. GOOD. Will the gentleman reserve his point of order?

Mr. KITCHIN. Do not let us reserve it.

Mr. GOOD. I want to make a statement with regard to it. I think I can give the gentleman some information that, perhaps, he does not possess, or, possibly, he would have included this in the bill.

Mr. KITCHIN. Will not the gentleman offer it on another bill? We are anxious to get to the immigration bill.

Mr. GOOD. I ask the gentleman to reserve the point of order for a moment.

Mr. KITCHIN. I will say to the gentleman from Iowa that, of course, he could not make any better argument than I could as to why we should tax some other things than this particular thing. I thoroughly appreciate his position and he appreciates

mine, and I really want to get this bill through, so that we can take up the immigration bill.

Mr. GOOD. I want only five minutes.

Mr. KITCHIN. I know; but do not let us talk about it. Let us take it up at some other time—to-morrow.

Mr. GOOD. I move to strike out the last word.

Mr. MANN. I should like to be heard on the point of order for a moment.

The CHAIRMAN. The Chair will hear the gentleman. On what does the gentleman from North Carolina base his point of order?

Mr. KITCHIN. On clause 3 of Rule XXI.

Mr. MANN. That rule provides that an amendment to a revenue bill shall not be in order which is not germane to the bill or germane to the item to which it is offered as an amendment. I am well aware of the rulings, which have been very strict, and it is undoubtedly the fact that there have been several bills before the House when very distinguished gentlemen have been put in the chair for the purpose of ruling that you could not add anything to the bill by way of amendment, and that you could not take anything away from the bill by way of amendment, that altered the terms and effect of the bill. But what are we? A legislative body. Here we have a bill to produce revenue. The gentleman from North Carolina [Mr. KITCHIN] appealed to the patriotism of both sides of the House to raise revenue which he said was needed. Now, when we get into the committee to determine how we will raise revenue he insists that nobody except himself shall have the right to have any judgment. If this is ruled out of order, we must raise revenue, not in the way the House wants to raise revenue, but in the way the gentleman from North Carolina [Mr. KITCHIN] wants to raise revenue.

This is a bill to raise revenue. I contend that, it being a bill to raise revenue by the levy of excise taxes, it is in order to offer an amendment to raise revenue by any kind of an excise tax.

The CHAIRMAN. Does the gentleman from North Carolina desire to be heard?

Mr. KITCHIN. No, Mr. Chairman.

The CHAIRMAN. The Chair is ready to rule. The language of the rule in regard to revenue bills is different from the language of the rule as to bills generally, and is much stricter. The language of the rule is:

No amendment shall be in order to any bill affecting revenue which is not germane to the subject matter of the bill; nor shall any amendment to any item of such bill be in order which does not directly relate to the item to which the amendment is proposed.

The gentleman offers an amendment to strike out the section and to insert as a new section an amendment levying an additional tax upon distilled spirits. The Chair thinks that plainly, under the language of the rule that has just been read, the amendment is not germane and that it is subject to the point of order. The Chair sustains the point of order.

Mr. MANN. I respectfully appeal from the decision of the Chair.

The CHAIRMAN. The gentleman from Illinois appeals from the decision of the Chair. The question is, Shall the decision of the Chair stand as the judgment of the committee? The Chair will be glad to have the vote taken by tellers, and suggests the gentleman from Illinois [Mr. MANN] and the gentleman from North Carolina [Mr. KITCHIN].

Mr. MANN. Let the gentleman from Iowa [Mr. Good] act in my stead.

Mr. KITCHIN. And the gentleman from Ohio [Mr. ALLEN] in my stead.

The CHAIRMAN. The gentleman from Ohio [Mr. ALLEN] and the gentleman from Iowa [Mr. Good] will take their places as tellers.

The question is, Shall the decision of the Chair stand as the judgment of the committee?

The committee divided; and the tellers reported—ayes 166, noes 114.

Accordingly the decision of the Chair was sustained.

Mr. GOOD. I move to strike out the last word.

The CHAIRMAN. The gentleman from Iowa is recognized for five minutes.

Mr. GOOD. Mr. Chairman, I can recall quite distinctly the argument made by the gentleman from North Carolina [Mr. KITCHIN] when the Payne bill was before this House. I recall the many arguments he has made since that time on bills to raise revenue. There has been one thing above all others that he has advocated until this bill is brought before this House, and that is to levy a tax upon the luxuries of life. That has been the chord upon which he has played, the one thing the gentleman has been urging. This bill, instead of following the

direction of the Secretary of the Treasury and levying a tax on luxuries, levies a tax on thrift, a tax upon success.

In this bill the gentleman from North Carolina and his committee refuses, and the Democratic caucus refuses, to levy an additional tax of 15 cents a gallon on distilled spirits, yet the Secretary of the Treasury urges such a tax. Secretary McAdoo said that that tax alone would bring into the Treasury every year \$50,000,000. Who would feel the burden? Why, my friends, in Great Britain they are levying a tax on whisky all the way from \$3.40 a gallon to \$4.12 a gallon. France levies a tax on whisky of \$1.56 a gallon, Russia levies a tax on whisky of \$1.60 a gallon, and yet this Democratic side of the House refuses to levy a tax in this country of \$1.25 a gallon. That would be a lower tax than that exacted in any other country in the world on booze.

Mr. RANDALL. Will the gentleman yield?

Mr. GOOD. Yes.

Mr. RANDALL. Does the gentleman believe in raising revenue to run the Government by taxing the liquor traffic, or does he believe in prohibition, as his State does?

Mr. GOOD. I believe in prohibition, and I believe in that great pronouncement by the Supreme Court of the United States that "the power to tax is the power to destroy," and if you want to destroy the liquor traffic you can not do it in any quicker or more efficient way than by taxing it out of business.

Mr. RANDALL. Why do not you do it that way in Iowa?

Mr. GOOD. We did pretty well; we taxed part of the saloons out of existence by a high-license tax and thereby so molded public sentiment that the people demanded that the saloons should be removed entirely, and then we legislated the rest out of existence. [Applause on the Republican side.]

Mr. RANDALL. You failed, and finally adopted prohibition.

Mr. GOOD. I have no sympathy with that kind of prohibition that when the test comes to support what would bring real prohibition refuses to do so. [Applause on the Republican side.]

The power to tax is the power to destroy. If you would prohibit, why not destroy the traffic? I have made this motion to include only a tax of \$1.25 on a gallon. That is a lower tax than is exacted in any country in the world. I did it because it was recommended by the Secretary of the Treasury. I would place a tax on whisky as high as that exacted by Great Britain, and that act alone would help to destroy the liquor traffic in this country. But you refuse to help destroy. Have you taxed luxuries? No. Have you taxed those things that would bring in a large revenue, as suggested by the Secretary of the Treasury, without inflicting a hardship on anyone? No. Instead you reach down into the pockets of the men whose industry helps them to live, but you leave the earnings of the millionaire to go untaxed; you allow the products of the distillery to go untaxed. [Applause on the Republican side.]

Mr. KITCHIN. Mr. Chairman, I wish I could believe that the gentleman from Iowa and the gentlemen on the Republican side who applauded him are really sincere in their desire to lift the burdens of taxation to the extent of raising the whisky tax and thereby taking some of the burdens of taxation off the people. I can say that the gentleman is not sincere and the gentlemen who applauded him are not sincere. The party is not sincere, unless they have changed their convictions lately.

You had an opportunity to tax whisky more than \$1.10 a gallon. You were in power 16 years, and you dared not raise the tax a cent. [Applause on the Democratic side.] Not only that, but I want to denounce it as a piece of legislative hypocrisy when the gentleman brings his amendment to this bill and wants action upon it.

When this country was hanging in the balance, when 50,000 or more men were marching to the bugle call to battle, when the Navy went to the Philippines and to Santiago, when we needed millions of money to expend in the Spanish-American War, the Republican Party, your party, without a single dissenting vote, passed an emergency tax law, and you did not raise the revenue on whisky one single copper cent. [Applause on the Democratic side.] Another thing, when you wanted to relieve the people and reduce the tariff in 1909, when you passed the Payne-Aldrich Act, instead of increasing the tax on whisky you put it on lumber, which the poor man in the country used to build his hovel and the farmer to put up his buildings. [Applause on the Democratic side.] You increased the tax on articles of necessity, but you dared not touch the revenue on whisky. You dared not put your finger tip on the saloon keeper or the distiller of the country, and you let it remain at \$1.10 per gallon. [Applause on the Democratic side.]

The gentleman from Iowa voted for the Payne-Aldrich Act. He never suggested taking off the tax on lumber and placing it on whisky. Not only that, in 1898, 1899, and 1900 the tax on beer was \$2 a barrel. The Republicans reduced it to \$1 a barrel.

And yet the gentleman from Iowa comes here and tells us that we ought to put a tax on the necessities of the people and to put a higher tax on whisky. Does not the gentleman know that he has not been candid with the House, and does he not know that he and the people who applauded him were in power 16 years and during the Spanish-American War? That they reduced the tax on beer and put a tax on lumber when they had the opportunity to increase the tax on whisky shows that they are not sincere now. [Applause on the Democratic side.]

Mr. GOOD. Mr. Chairman, will the gentleman yield?

The CHAIRMAN. The time of the gentleman from North Carolina has expired. The Clerk will read.

The Clerk read as follows:

CERTIFICATES OF INDEBTEDNESS.

SEC. 401. That section 32 of an act entitled "An act providing ways and means to meet war expenditures, and for other purposes," approved June 13, 1898, as amended by section 40 of an act entitled "An act to provide revenue, equalize duties, and encourage the industries of the United States, and for other purposes," approved August 5, 1909, be, and the same is hereby, amended to read as follows:

"SEC. 32. That the Secretary of the Treasury is authorized to borrow, from time to time, at a rate of interest not exceeding 3 per cent per annum, such sum or sums as, in his judgment, may be necessary to meet public expenditures, and to issue therefor certificates of indebtedness in such form and in such denominations as he may prescribe; and each certificate so issued shall be payable, with the interest accrued thereon, at such time, not exceeding one year from the date of its issue, as the Secretary of the Treasury may prescribe: *Provided*, That the sum of such certificates outstanding shall at no time exceed \$300,000,000, and the provisions of existing law respecting counterfeiting and other fraudulent practices are hereby extended to the bonds and certificates of indebtedness authorized by this act."

Mr. MOORE of Pennsylvania. Mr. Chairman, I move to strike out the last word, and I would like to have the attention of the chairman of the Committee on Ways and Means. As I understand it, this is an amendment to the so-called Payne-Aldrich law?

Mr. KITCHIN. Yes.

Mr. MOORE of Pennsylvania. Will the gentleman explain wherein it differs from the existing law?

Mr. KITCHIN. Under the existing law the Secretary of the Treasury has power to issue \$200,000,000. This substitutes \$300,000,000 for the \$200,000,000, so that instead of having the power to issue \$200,000,000 he has the power to issue \$300,000,000 of certificates.

Mr. MOORE of Pennsylvania. Mr. Chairman, I am obliged to the gentleman for that statement, and I would like the House to note at this point, that the much maligned Payne-Aldrich Act is now a life-saver to our friends on the other side. [Laughter on the Republican side.]

Mr. KITCHIN. And a sinker for the gentleman's side. [Laughter on the Democratic side.]

Mr. MOORE of Pennsylvania. We are recovering gradually, and as we make the facts known it will be easier for us to slide into power, in due course. I call the attention of the House to the fact that the Payne-Aldrich law, which no Democrat could ever stand for, gave authority to the Secretary of the Treasury to issue as high as \$200,000,000 of certificates so that he might raise money if he happened to get into difficulties, which we assumed he would get into if the Democratic Party repealed the protective tariff features of the Payne-Aldrich law.

Here again we have a concrete illustration of the hopelessness and the helplessness of the Democratic Party when it comes to constructive policies. The cry still is: "Whither shall we go? Where shall we raise the money?" Here is the Payne-Aldrich tariff law, which provided that the Secretary of the Treasury may issue \$200,000,000 of certificates. The Democrats did not want to go to the Payne-Aldrich tariff law before election—oh, no, that would be too dangerous; that would incriminate the Democratic Party; but now that the election is over and the administration needs more than \$200,000,000 we find the Democratic Party resorting to the provisions of the Payne-Aldrich tariff law, adding \$100,000,000 more to its \$200,000,000 life buoy, but denouncing it still. There they go, gentlemen, with all their delinquencies marching triumphantly under the banner of the Payne-Aldrich tariff law—there is where they get the money. [Laughter and applause on the Republican side.]

The CHAIRMAN. Without objection, the pro forma amendment will be withdrawn and the Clerk will read.

The Clerk concluded the reading of the bill.

Mr. KITCHIN. Mr. Chairman, I move that the committee do now rise and report the bill with a favorable recommendation to the House.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. SHERLEY, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill (H. R. 20573) to pro-

vide increased revenue to defray the expenses of the increased appropriations for the Army and Navy and the extensions of fortifications, and for other purposes, and had directed him to report the same back to the House with the recommendation that the bill do pass.

Mr. KITCHIN. Mr. Speaker, I move the previous question on the bill to final passage.

The previous question was ordered.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be read a third time, and was read the third time.

Mr. FORDNEY. Mr. Speaker, I offer the following motion to recommit, which I send to the Clerk's desk and ask to have read.

The Clerk read as follows:

Mr. FORDNEY moves to recommit H. R. 20573 to the Committee on Ways and Means with instructions to amend the bill so as to raise an equitable portion of the required revenue from a protective tariff "sufficient to protect adequately American industry and American labor, and to be so adjusted as to prevent undue exactions by monopolies or trusts," paying particular attention to the conditions inevitable at the close of the present European war, with a view to insuring the industrial independence of the United States.

Mr. KITCHIN. Mr. Speaker, I make the point of order against that motion to recommit. It is contrary to Rule XXI, paragraph 3. We passed on that same point at the last session.

The SPEAKER. Does the gentleman from Michigan desire to be heard upon the point of order?

Mr. FORDNEY. No.

The SPEAKER. The Chair ruled upon this proposition once before, and rules the same way now. The point of order is sustained.

Mr. MANN. Mr. Speaker, I respectfully appeal from the decision of the Chair.

Mr. CRISP. Mr. Speaker, I move to lay that appeal on the table.

The SPEAKER. The question is on laying the appeal on the table.

Mr. MANN. Mr. Speaker, upon that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 213, nays 196, answered "present" 2, not voting 22, as follows:

YEAS—213.

Abercrombie	Dill	Johnson, Ky.	Rubey
Adair	Dixon	Jones	Rucker, Mo.
Adamson	Doolling	Keating	Russell, Mo.
Alken	Doollittle	Kent	Sabath
Alexander	Doremus	Kettner	Saunders
Allen	Doughton	Key, Ohio	Sears
Almon	Dupré	Kincheloe	Shackelford
Ashbrook	Eagan	Kitchin	Shallenberger
Aswell	Eagle	Konop	Sherley
Ayres	Edwards	Lazaro	Sherwood
Bailey	Estopinal	Lee	Shouse
Barkley	Evans	Lesher	Sims
Barnhart	Farley	Lever	Sisson
Bell	Ferris	Lewis	Slayden
Black	Fields	Lieb	Small
Blackmon	Fitzgerald	Linthicum	Smith, N. Y.
Booher	Flood	Littlepage	Smith, Tex.
Borland	Flynn	Lloyd	Sparkman
Bruckner	Gallagher	Lobeck	Stegall
Brumbaugh	Gallivan	London	Stedman
Buchanan, Ill.	Gandy	McAndrews	Steele, Iowa
Buchanan, Tex.	Gard	McClintic	Steele, Pa.
Burgess	Garnier	McDermott	Stephens, Miss.
Burke	Glass	McGillicuddy	Stephens, Nebr.
Burnett	Godwin, N. C.	McKellar	Stephens, Tex.
Byrnes, S. C.	Goodwin, Ark.	McLemore	Stone
Byrns, Tenn.	Gordon	Maher	Stout
Caldwell	Gray, Ala.	Mays	Sumners
Callaway	Gray, Ind.	Montague	Taggart
Candler, Miss.	Gregg	Moon	Tague
Cantrill	Griffin	Morgan, La.	Talbot
Caraway	Hamill	Morrison	Tavener
Carew	Hamlin	Moss	Taylor, Ark.
Carlin	Hardy	Murray	Taylor, Colo.
Carter, Okla.	Harrison, Miss.	Neely	Thomas
Casey	Harrison, Va.	Nicholls, S. C.	Thompson
Church	Hastings	Oldfield	Tillman
Clark, Fla.	Hayden	Oliver	Van Dyke
Cline	Heflin	Olney	Venable
Coady	Helm	O'Shaunessy	Vinson
Collier	Helvering	Overmyer	Walker
Connelly	Hensley	Padgett	Watkins
Conry	Hilliard	Page, N. C.	Watson, Va.
Cox	Holland	Park	Webb
Crisp	Hood	Phelan	Whaley
Crosser	Houston	Price	Williams, W. E.
Cullop	Howard	Quin	Wilson, Fla.
Dale, N. Y.	Huddleston	Rainey	Wilson, La.
Davis, Tex.	Hughes	Raker	Wingo
Decker	Hulbert	Rauch	Wise
Dent	Hull, Tenn.	Rayburn	Young, Tex.
Dewalt	Humphreys, Miss.	Reilly	
Dickinson	Igoe	Riordan	
Dies	Jacoway	Rouse	

NAYS—196.

Anderson	Foss	Langley	Rowe
Anthony	Frear	Leibach	Rowland
Austin	Freeman	Longworth	Russell, Ohio
Bacharach	Fuller	Loud	Sanford
Barchfield	Gardner	McArthur	Schall
Beales	Gardland	McCracken	Scott, Mich.
Benedict	Gillett	McCulloch	Scott, Pa.
Bowers	Glynn	McFadden	Sells
Britt	Good	McKenzie	Siegel
Britten	Gould	McKinley	Sinnott
Browne	Graham	McLaughlin	Slomp
Browning	Gray, N. J.	Madden	Sloan
Butler	Green, Iowa	Magee	Smith, Idaho
Cannon	Greene, Mass.	Mann	Smith, Mich.
Capstick	Greene, Vt.	Mapes	Smith, Minn.
Carter, Mass.	Griest	Martin	Snell
Cary	Guernsey	Matthews	Snyder
Chandler, N. Y.	Hadley	Meeker	Stafford
Charles	Hamilton, Mich.	Miller, Del.	Steenerson
Coleman	Hamilton, N. Y.	Miller, Minn.	Sterling
Cooper, Ohio.	Haskell	Miller, Pa.	Stines
Cooper, W. Va.	Haugen	Mondell	Sulloway
Cooper, Wis.	Hawley	Moore, Pa.	Sweet
Copley	Hayes	Moore, Ind.	Swift
Costello	Heaton	Morgan, Okla.	Switzer
Crago	Helgesen	Morin	Temple
Cramton	Hernandez	Mott	Tilson
Curry	Hicks	Mudd	Timberlake
Dale, Vt.	Hill	Nelson	Tinkham
Dallinger	Hollingsworth	Nichols, Mich.	Towner
Danforth	Hopwood	Nolan	Treadway
Darrow	Howell	North	Vare
Davis, Minn.	Hull, Iowa.	Norton	Volstead
Dempsey	Husted	Oakey	Walsh
Denison	Hutchinson	Paige, Mass.	Ward
Dillon	James	Parker, N. J.	Wason
Dowell	Johnson, S. Dak.	Parker, N. Y.	Watson, Pa.
Drukker	Johnson, Wash.	Peters	Wheeler
Dunn	Kahn	Platt	Williams, T. S.
Dyer	Kearns	Porter	Williams, Ohio.
Edmonds	Keister	Powers	Wilson, Ill.
Ellsworth	Kelley	Pratt	Winslow
Elston	Kennedy, Iowa.	Ramseyer	Wood, Ind.
Emerson	Kennedy, R. I.	Randall	Woods, Iowa.
Esch	Kiess, Pa.	Reavis	Woodyard
Fairchild	King	Ricketts	Young, N. Dak.
Farr	Kinkaid	Roberts, Mass.	
Fess	Kreider	Roberts, Nev.	
Focht	Lafean	Rodenberg	
Fordney	La Follette	Rogers	

ANSWERED "PRESENT"—2.

Bennet Pou

NOT VOTING—22.

Beakes	Garrett	Liebel	Ragsdale
Campbell	Hart	Lindbergh	Rucker, Ga.
Chiferfield	Henry	Loft	Scully
Davenport	Hinds	Mooney	Sutherland
Driscoll	Humphrey, Wash.	Oglesby	
Foster	Lenroot	Patten	

So the motion to lay on the table was agreed to.

The Clerk announced the following pairs:

Mr. LOFT with Mr. HUMPHREY of Washington.

Mr. FOSTER (for laying appeal on table) with Mr. BENNET (against).

Mr. SCULLY (for) with Mr. HART (against).

Mr. HENRY (for) with Mr. CAMPBELL (against).

Mr. GARRETT (for) with Mr. LENROOT (against).

Mr. PATTEN (for) with Mr. CHIFERFIELD (against).

Mr. POU (for) with Mr. HINDS (against).

Mr. LIEBEL (for) with Mr. MOONEY (against).

Mr. DAVENPORT (for) with Mr. SUTHERLAND (against).

Mr. BENNET. Mr. Speaker, I voted "no." I think my pair with Mr. FOSTER ought to be extended to cover this vote, and I therefore withdraw my vote and answer present.

The name of Mr. BENNET was called, and he answered "Present."

The result of the vote was announced as above recorded.

Mr. FORDNEY. Mr. Speaker, I desire to make the following motion to recommit.

The SPEAKER. The Clerk will report it.

The Clerk read as follows:

I move to recommit the bill H. R. 20573 to the Committee on Ways and Means with instructions to that committee to report the bill back to the House immediately, with the following amendments:

Strike out all of "Title II—Excess-profits tax," being sections 200, 201, 202, 203, 204, 205, 206, and 207, reading as follows:

"TITLE II—EXCESS-PROFITS TAX.

"SEC. 200. That when used in this title—

"The term 'corporation' includes joint-stock companies or associations, and insurance companies;

"The term 'United States' means only the States, the Territories of Alaska and Hawaii, and the District of Columbia; and

"The term 'taxable year' means the 12 months ending December 31, except in the case of a corporation or partnership allowed to fix its own fiscal year, in which case it means such fiscal year. The first taxable year shall be the year ending December 31, 1917.

"SEC. 201. That in addition to the taxes under existing laws there shall be levied, assessed, collected, and paid for each taxable year upon the net income of every corporation and partnership organized, authorized, or existing under the laws of the United States, or of any State, Territory, or District thereof, no matter how created or organized, excepting income derived from the business of life, health, and accident

insurance combined in one policy issued on the weekly premium payment plan, a tax of 8 per cent of the amount by which such net income exceeds the sum of (a) \$5,000 and (b) 8 per cent of the actual capital invested.

"Every foreign corporation and partnership, including corporations and partnerships of the Philippine Islands and Porto Rico, shall pay for each taxable year a like tax upon the amount by which its net income received from all sources within the United States exceeds the sum of (a) 8 per cent of the actual capital invested and used or employed in the business in the United States, and (b) that proportion of \$5,000 which the entire actual capital invested and used or employed in the business in the United States bears to the entire actual capital invested; and in case no such capital is used or employed in the business in the United States the tax shall be imposed upon that portion of such net income which is in excess of the sum of (a) 8 per cent of that proportion of the entire actual capital invested and used or employed in the business which the net income from sources within the United States bears to the entire net income, and (b) that proportion of \$5,000 which the net income from sources within the United States bears to the entire net income.

"SEC. 202. That for the purpose of this title, actual capital invested means (1) actual cash paid in, (2) the actual cash value, at the time of payment, of assets other than cash paid in, and (3) paid in or earned surplus and undivided profits used or employed in the business; but does not include money or other property borrowed by the corporation or partnership.

"SEC. 203. That the tax herein imposed upon corporations and partnerships shall be computed upon the basis of the net income shown by their income-tax returns under Title I of the act entitled 'An act to increase the revenue, and for other purposes,' approved September 8, 1916, or under this title, and shall be assessed and collected at the same time and in the same manner as the income tax due under Title I of such act of September 8, 1916: *Provided*, That for the purpose of this title a partnership shall have the same privilege with reference to fixing its fiscal year as is accorded corporations, under section 13 (a) of Title I of such act of September 8, 1916: *And provided further*, That where a corporation or partnership makes return prior to March 1, 1918, covering its own fiscal year and includes therein any income received during the calendar year ending December 31, 1916, the tax herein imposed shall be that proportion of the tax based upon such full fiscal year which the time from January 1, 1917, to the end of such fiscal year bears to the full fiscal year.

"SEC. 204. That corporations exempt from tax under the provisions of section 11 of Title I of the act approved September 8, 1916, and partnerships carrying on or doing the same business shall be exempt from the provisions of this title, and the tax imposed by this title shall not attach to incomes of partnerships derived from agriculture or from personal services.

"SEC. 205. That every corporation having a net income of \$5,000 or more for the taxable year making a return under Title I of such act of September 8, 1916, shall for the purposes of this title include in such return a detailed statement of the actual capital invested.

"Every partnership having a net income of \$5,000 or more for the taxable year shall render a correct return of the income of the partnership for the taxable year, setting forth specifically the actual capital invested and the gross income for such year and the deductions herein-after allowed. Such returns shall be rendered at the same time and in the same manner and form as is prescribed for income-tax returns under Title I of such act of September 8, 1916. In computing net income of a partnership for the purposes of this title there shall be allowed like deductions as are allowed to individuals in sections 5 (a) and 6 (a) of such act of September 8, 1916.

"SEC. 206. That all administrative, special, and general provisions of law, including the laws in relation to the assessment, remission, collection, and refund of internal-revenue taxes not heretofore specifically repealed and not inconsistent with the provisions of this title are hereby extended and made applicable to all the provisions of this title and to the tax herein imposed, and all provisions of Title I of such act of September 8, 1916, relating to returns and payment of the tax therein imposed, including penalties, are hereby made applicable to the tax required by this title.

"SEC. 207. That the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, shall make all necessary regulations for carrying out the provisions of this title, and may require any corporation or partnership subject to the provisions of this title to furnish him with such facts, data, and information as in his judgment are necessary to collect the tax provided for in this title."

Amend section 1 of the bill by striking out in lines 4 and 5, page 1, the following language: "receipts from the tax imposed by Title II and," and on page 2, line 10, strike out "Titles II and" and insert in lieu thereof "Title I."

During the reading of the motion to recommit,

Mr. MANN. Mr. Speaker, I ask unanimous consent that the reading of Title II be dispensed with and that it be printed in the RECORD.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. KITCHIN. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the motion to recommit.

Mr. MANN. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 187, nays 219, answering "present" 3, not voting 24, as follows:

YEAS 187.

Anthony	Caldwell	Crago	Drukker
Austin	Cannon	Cramton	Dunn
Bacharach	Capstick	Curry	Dyer
Barchfield	Carter, Mass.	Dale, Vt.	Edmonds
Beales	Cary	Dallinger	Ellsworth
Benedict	Chandler, N. Y.	Danforth	Elston
Bowers	Charles	Darrow	Esch
Britt	Coleman	Davis, Minn.	Fairchild
Britten	Cooper, Ohio	Dempsey	Farr
Browne	Cooper, W. Va.	Denison	Fess
Browning	Copley	Dillon	Focht
Butler	Costello	Dowell	Fordney

Foss	Johnson, Wash.	Moore, Pa.	Slomp
Frear	Kahn	Moore, Ind.	Sloan
Freeman	Kearns	Morgan, Okla.	Smith, Idaho
Fuller	Keister	Morin	Smith, Mich.
Gardner	Kelly	Mott	Smith, Minn.
Garland	Kennedy, Iowa	Mudd	Snell
Gillett	Kennedy, R. I.	Nichols, Mich.	Snyder
Glynn	Kless, Pa.	North	Stafford
Good	King	Norton	Sterling
Gould	Kinkaid	Oakey	Stines
Graham	Kreider	Paige, Mass.	Suloway
Gray, N. J.	Lafean	Parker, N. J.	Sweet
Green, Iowa	La Follette	Parker, N. Y.	Swift
Greene, Mass.	Langley	Peters	Switzer
Greene, Vt.	Leibach	Platt	Temple
Griest	Longworth	Porter	Tilson
Guernsey	Loud	Powers	Timberlake
Hadley	McArthur	Pratt	Tinkham
Hamilton, Mich.	McCracken	Ramseyer	Towner
Hamilton, N. Y.	McCulloch	Reavis	Treadway
Haskell	McFadden	Ricketts	Vare
Hawley	McKenzie	Roberts, Mass.	Volstead
Hayes	McKinley	Roberts, Nev.	Walsh
Heaton	McLaughlin	Rodenberg	Ward
Hernandez	Madden	Rogers	Watson
Hicks	Magee	Rowe	Watson, Pa.
Hill	Mann	Rowland	Wheeler
Hollingsworth	Mapes	Russell, Ohio	Williams, T. S.
Hopwood	Martin	Sanford	Williams, Ohio
Howell	Mathews	Schall	Wilson, Ill.
Hull, Iowa	Meeker	Scott, Mich.	Winslow
Husted	Miller, Del.	Scott, Pa.	Wood, Ind.
Hutchinson	Miller, Minn.	Sells	Woodyard
James	Miller, Pa.	Siegel	Young, N. Dak.
Johnson, S. Dak.	Mondell	Sinnott	

NAYS—219.

Abercrombie	Dill	Jones	Riordan
Adair	Dixon	Keating	Rouse
Adamson	Dooling	Kent	Rubey
Alken	Doolittle	Kettner	Rucker, Ga.
Alexander	Doremus	Key, Ohio	Rucker, Mo.
Allen	Dupré	Kincheloe	Russell, Mo.
Almon	Eagan	Kitchin	Sabath
Anderson	Eagle	Konop	Saunders
Ashbrook	Edwards	Lazaro	Sears
Aswell	Estopinal	Lee	Shackleford
Ayres	Evans	Leshner	Shallenberger
Bailey	Farley	Lever	Sherley
Barkley	Ferris	Lewis	Sherwood
Barnhart	Fields	Lieb	Shouse
Bell	Fitzgerald	Lindbergh	Sims
Black	Flood	Linthicum	Sisson
Blackmon	Flynn	Littlepage	Slayden
Booher	Gallagher	Lloyd	Small
Borland	Gallivan	Lobeck	Smith, N. Y.
Bruckner	Gandy	McAndrews	Smith, Tex.
Brumbaugh	Gard	McClintic	Sparkman
Buchanan, Ill.	Garner	McDermott	Stegall
Buchanan, Tex.	Glass	McGillcuddy	Stedman
Burgess	Godwin, N. C.	McKellar	Steele, Iowa
Burke	Goodwin, Ark.	McLemore	Steele, Pa.
Burnett	Gordon	Maher	Stephens, Miss.
Byrnes, S. C.	Gray, Ala.	Mays	Stephens, Nebr.
Byrnes, Tenn.	Gray, Ind.	Montague	Stephens, Tex.
Callaway	Gregg	Moon	Stone
Candler, Miss.	Griffin	Morgan, La.	Stout
Cantrill	Hamill	Morrison	Summers
Caraway	Hamlin	Moss	Taggart
Carew	Hardy	Murray	Tague
Carlin	Harrison, Miss.	Neely	Talbot
Carter, Okla.	Harrison, Va.	Nelson	Tavener
Casey	Hastings	Nicholls, S. C.	Taylor, Ark.
Church	Hayden	Nolan	Taylor, Colo.
Clark, Fla.	Hefflin	Oglesby	Thomas
Cline	Helgesen	Oldfield	Thompson
Coady	Helm	Oliver	Tillman
Collier	Helvering	Olney	Van Dyke
Connelly	Hensley	O'Shaunessy	Venable
Conry	Hilliard	Overmyer	Vinson
Cooper, Wis.	Holland	Padgett	Walker
Cox	Hood	Park	Watkins
Crisp	Houston	Phelan	Watson, Va.
Crosser	Howard	Price	Webb
Cullop	Huddleston	Quin	Whaley
Dale, N. Y.	Hughes	Ragsdale	Williams, W. M.
Davis, Tex.	Hulbert	Rainey	Wilson, Fla.
Decker	Hull, Tenn.	Raker	Wilson, La.
Dent	Humphreys, Miss.	Randall	Wingo
Dewalt	Igoe	Rauch	Wise
Dickinson	Jacoway	Rayburn	Young, Tex.
Dies	Johnson, Ky.	Reilly	

ANSWERING "PRESENT"—3.

Bennet	Emerson	London
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NOT VOTING 24.

Beakes	Foster	Humphrey, Wash.	Patten
Campbell	Garrett	Lenroot	Pou
Chipperfield	Hart	Liebel	Scully
Davenport	Haugen	Loft	Steenerson
Doughton	Henry	Mooney	Sutherland
Driscoll	Hinds	Page, N. C.	Woods, Iowa

So the motion to recommit was rejected.

The Clerk announced the following additional pairs:

On this vote:

Mr. SUTHERLAND (for) with Mr. DAVENPORT (against).

Mr. HUMPHREY of Washington (for) with Mr. BEAKES (against).

Mr. HINDS (for) with Mr. POU (against).

Mr. LENROOT (for) with Mr. GARRETT (against).
 Mr. CAMPBELL (for) with Mr. HENRY (against).
 Mr. MOONEY (for) with Mr. LIEBEL (against).
 Mr. HART (for) with Mr. SCULLY (against).
 Mr. BENNET (for) with Mr. FOSTER (against).
 Mr. CHIPPERFIELD (for) with Mr. PATTEN (against).

The result of the vote was announced as above recorded.

The SPEAKER. The question is on the passage of the bill.

Mr. MANN. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER. Those in favor of passing the bill will when their names are called, answer "yea"; those opposed will answer "nay."

VETO OF IMMIGRATION BILL.

Mr. MANN. Mr. Speaker, before we commence to call the roll, by unanimous consent can we again get information in reference to the immigration bill (H. R. 10384) for the convenience of all Members of the House?

The SPEAKER. Will the gentleman from Alabama [Mr. BURNETT] please explain what is going to happen? [Laughter.]

Mr. BURNETT. What is the query, Mr. Speaker?

Mr. MANN. Pending the roll call on the final passage of this bill, it would be very greatly to the convenience of all the Members of the House if we knew what was going to be done about the consideration of the immigration bill.

Mr. BURNETT. We will go through the vote to-night. I am willing to have a half hour's debate, 15 minutes to a side, if the gentleman from Illinois [Mr. SABATH], representing the other side, is willing.

Mr. MANN. Is it certain that there will be at least half an hour's debate after the conclusion of this roll call before we have another roll call?

Mr. BURNETT. Yes.

Mr. FITZGERALD. Is that all the debate?

Mr. BURNETT. That is all that we can agree on.

Mr. MANN. It may be more.

Mr. SABATH. I wish to state, Mr. Speaker, that I do not desire to detain the House. Although we agreed yesterday on an hour and a half, I am willing, if I can get the consent of others on our side, to cut the time down to 30 or 40 minutes. I am willing personally to bring that about.

Mr. FITZGERALD. Can we know definitely, Mr. Speaker, how much debate there will be?

Mr. MANN. We might reach an agreement now.

Mr. SABATH. I am willing to agree now to let it be 40 minutes, 20 minutes to a side. That cuts the time down in half. Is that satisfactory?

Mr. BURNETT. Yes.

The SPEAKER. The gentleman from Alabama [Mr. BURNETT] asks unanimous consent that on the immigration bill the debate shall not exceed 40 minutes, half of that time to be controlled by himself and half to be controlled by the gentleman from Illinois [Mr. SABATH].

Mr. MANN. Let us figure out the time if we can. We will be through the present roll call at 10 minutes to 7. Can we have an agreement that the vote on the immigration bill shall be had at 7:30?

Mr. BURNETT. Yes; at 7:30.

Mr. MANN. I suggest to the gentleman from Alabama to make that request.

Mr. BURNETT. That is a good suggestion. I make that request, Mr. Speaker.

The SPEAKER. The gentleman from Alabama asks unanimous consent that the vote on the immigration veto shall be had at half past 7. Is there objection? [After a pause.] The Chair hears none.

REVENUE BILL.

The SPEAKER. The Clerk will call the roll, and those in favor of passing the revenue bill will answer "yea"; those opposed will answer "nay."

The question was taken; and there were—yeas 211, nays 196, answered "present" 4, not voting 22, as follows:

YEAS—211.

Abercrombie	Bell	Byrnes, Tenn.	Connelly
Adair	Black	Candler, Miss.	Conry
Adamson	Blackmon	Cantrill	Cox
Alken	Booher	Caraway	Crisp
Alexander	Borland	Carew	Crosser
Allen	Bruckner	Carlin	Cullop
Almon	Brumbaugh	Carter, Okla.	Dale, N. Y.
Ashbrook	Buchanan, Ill.	Casey	Davis, Tex.
Aswell	Buchanan, Tex.	Church	Decker
Ayres	Burgess	Clark, Fla.	Dent
Bailey	Burke	Cline	Dewalt
Barkley	Burnett	Coady	Dickinson
Barnhart	Byrnes, S. C.	Collier	Dies

Dill	Hensley	Moon	Sisson
Dixon	Hillard	Morgan, La.	Slayden
Dooling	Holland	Morrison	Small
Doolittle	Hood	Moss	Smith, N. Y.
Doremus	Houston	Murray	Smith, Tex.
Dupré	Howard	Neely	Sparkman
Eagan	Huddleston	Nicholls, S. C.	Steagall
Eagle	Hughes	Oglesby	Stedman
Edwards	Hulbert	Oldfield	Steele, Iowa
Estopinal	Hull, Tenn.	Oliver	Steele, Pa.
Evans	Humphreys, Miss.	Olney	Stephens, Miss.
Farley	Igoe	O'Shaunessy	Stephens, Nebr.
Ferris	Jacoway	Overmyer	Stephens, Tex.
Fields	Johnson, Ky.	Padgett	Stone
Fitzgerald	Jones	Park	Stout
Flood	Keating	Phelan	Summers
Flynn	Kent	Price	Taggart
Gallagher	Kettner	Quin	Tague
Gallivan	Key, Ohio	Ragsdale	Talbot
Gandy	Kincheloe	Rainey	Tayner
Gard	Kitchin	Raker	Taylor, Ark.
Garner	Konop	Randall	Taylor, Colo.
Glass	Lazaro	Rauch	Thomas
Godwin, N. C.	Lee	Rayburn	Thompson
Goodwin, Ark.	Leshner	Rellly	Tillman
Gordon	Lever	Riordan	Van Dyke
Gray, Ala.	Lewis	Rouse	Venable
Gray, Ind.	Lieb	Rubey	Vinson
Gregg	Linthicum	Rucker, Ga.	Walker
Griffin	Littlepage	Rucker, Mo.	Watkins
Hamill	Lloyd	Russell, Mo.	Watson, Va.
Hamlin	McAndrews	Sabath	Webb
Hardy	McClintic	Saunders	Whaley
Harrison, Miss.	McDermott	Sears	Williams, W. E.
Harrison, Va.	McGillcuddy	Shackleford	Willson, Fla.
Hastings	McKellar	Shallenberger	Willson, La.
Hayden	McLemore	Sherley	Wingo
Heflin	Maher	Sherwood	Wise
Helm	Mays	Shouse	Young, Tex.
Helvering	Montague	Sims	

NAYS—196.

Anderson	Farr	Kinkaid	Roberts, Mass.
Anthony	Fess	Kreider	Roberts, Nev.
Austin	Focht	Lafean	Rodenberg
Bacharach	Fordney	La Follette	Rogers
Barchfeld	Foss	Langley	Rowe
Beales	Freeman	Lehbach	Rowland
Benedict	Fuller	London	Russell, Ohio
Bowers	Gardner	Longworth	Sanford
Britt	Garland	Loud	Schall
Britten	Gillett	McArthur	Scott, Mich.
Browne	Glynn	McCracken	Scott, Pa.
Browning	Good	McCulloch	Sells
Butler	Gould	McFadden	Siegel
Caldwell	Graham	McKenzie	Sinnott
Callaway	Gray, N. J.	McKinley	Slemp
Cannon	Green, Iowa	McLaughlin	Sloan
Capstick	Greene, Mass.	Madden	Smith, Idaho
Carter, Mass.	Greene, Vt.	Magee	Smith, Mich.
Cary	Griest	Mann	Smith, Minn.
Chandler, N. Y.	Guernsey	Mapes	Snell
Charles	Hadley	Martin	Snyder
Coleman	Hamilton, Mich.	Matthews	Stafford
Cooper, Ohio	Hamilton, N. Y.	Meeker	Stafford
Cooper, W. Va.	Haskell	Miller, Del.	Stirling
Cooper, Wis.	Haugen	Miller, Minn.	Stinson
Copley	Hawley	Miller, Pa.	Sullivan
Costello	Hayes	Mondell	Sweet
Crago	Heaton	Moore, Pa.	Swift
Cramton	Helgesen	Moore, Ind.	Switzer
Curry	Hernandez	Morgan, Okla.	Temple
Dale, Vt.	Hicks	Morin	Tilson
Dallinger	Hill	Mott	Timberlake
Danforth	Hollingsworth	Mudd	Tinkham
Darrow	Hopwood	Neison	Towner
Davis, Minn.	Howell	Nichols, Mich.	Treadway
Dempsey	Hull, Iowa	North	Vare
Denison	Husted	Norton	Volstead
Dillon	Hutchinson	Oakey	Walsh
Doughton	James	Page, N. C.	Ward
Dowell	Johnson, S. Dak.	Paige, Mass.	Watson, Pa.
Drukker	Johnson, Wash.	Parker, N. J.	Wheeler
Dunn	Kahn	Parker, N. Y.	Williams, T. S.
Dyer	Kearns	Peters	Williams, Ohio
Edmonds	Keister	Porter	Wilson, Ill.
Ellsworth	Kelley	Powers	Winslow
Elston	Kennedy, Iowa	Pratt	Wood, Ind.
Emerson	Kennedy, R. I.	Ramseyer	Woods, Iowa
Esch	Kless, Pa.	Reavis	Woodyard
Fairchild	King	Ricketts	Young, N. Dak.

ANSWERED "PRESENT"—4.

Bennet	Lindbergh	Nolan	Pou
Beakes	Frear	Lenroot	Platt
Campbell	Garrett	Liebel	Scully
Chipfield	Hart	Lobeck	Steenerson
Davenport	Henry	Loft	Sutherland
Driscoll	Hinds	Mooney	
Foster	Humphrey, Wash.	Patten	

So the bill was passed.

The Clerk announced the following additional pairs:

On this vote:

Mr. LOBECK (for) with Mr. FREAR (against).

Mr. DAVENPORT (for) with Mr. SUTHERLAND (against).

Mr. BEAKES (for) with Mr. HUMPHREY of Washington (against).

Mr. POU (for) with Mr. HINDS (against).

Mr. GARRETT (for) with Mr. LENROOT (against).

Mr. HENRY (for) with Mr. CAMPBELL (against).
Mr. LIEBEL (for) with Mr. MOONEY (against).
Mr. SCULLY (for) with Mr. HART (against).
Mr. FOSTER (for) with Mr. BENNET (against).
Mr. PATTEN (for) with Mr. CHIPFIELD (against).
The result of the vote was announced as above recorded.

On motion of Mr. KITCHIN, a motion to reconsider the vote by which the bill was passed was laid on the table.

MINORITY VIEWS ON BANKING AND CURRENCY BILLS.

Mr. LINDBERGH. Mr. Speaker, I ask unanimous consent to file minority views on three bills that have just been reported out of the Banking and Currency Committee, H. R. 20538, H. R. 20539, and H. R. 20540.

The SPEAKER. Without objection, the request will be granted.

CLOTHING FOR MEMBERS OF NATIONAL GUARD.

Mr. HELGESEN. Mr. Speaker, I ask unanimous consent to print in the RECORD a concurrent resolution passed by the North Dakota Legislature on January 27, relative to the North Dakota militia boys who are to return from the Mexican border.

The SPEAKER. The gentleman from North Dakota asks unanimous consent to extend his remarks about the militia. Is there objection?

There was no objection.

The concurrent resolution referred to is as follows:

OFFICE OF SECRETARY OF STATE OF NORTH DAKOTA.

I, Thomas Hall, secretary of state of the State of North Dakota, do hereby certify that the following is a true and complete copy of a certain resolution adopted by the Senate and House of Representatives of the Fifteenth Legislative Assembly of the State of North Dakota on Saturday, January 27, 1917.

[SEAL.]

THOMAS HALL,
Secretary of State.

Concurrent resolution. (Introduced by Mr. Mostad.)

Whereas the rules and regulations of the War Department of the United States will not permit the soldiers of the National Guard who are returning from the Mexican border to wear their uniforms and overcoats after being mustered out of active service, except when performing active duties as National Guardsmen; and

Whereas the soldiers of the North Dakota regiment who have been stationed on the Mexican border are returning from a climate which is semitropical into a climate which is extremely cold; and

Whereas these men will not be in a condition to stand the rigors of this northern climate without being warmly clothed, and many of them will not have the means wherewith to purchase the necessary clothing: Therefore be it

Resolved, That we, the members of the fifteenth legislative assembly, petition the President of the United States, the Secretary of War, and Congress to pass the necessary laws or to issue the necessary orders that will give the soldiers their overcoats, or at least permit the use of said overcoats until climatic conditions have so changed that their wear will not be necessary. Be it further

Resolved, That the secretary of state be instructed to send a copy of these resolutions to the President of the United States, to the Secretary of War, and to each of our Senators and Representatives in Congress. That we urge our Representatives and Senators in Congress to use their efforts to bring about the results requested in these resolutions.

VETO OF IMMIGRATION BILL.

Mr. BURNETT. Mr. Speaker, I desire now to call up the veto message of the President on the immigration bill (H. R. 10384), and I move that on reconsideration the House pass the same, the veto of the President to the contrary notwithstanding. We have an agreement that the vote shall be taken at 7.30 o'clock, which will allow 40 minutes' debate, 20 minutes to be controlled by the gentleman from Illinois [Mr. SABATH] and 20 minutes by myself.

Mr. SABATH. Mr. Speaker, that is perfectly satisfactory to me, and in view of the fact that we have five minutes remaining, I ask unanimous consent that in those five minutes the President's veto message be read, at the conclusion of the debate.

The SPEAKER. The gentleman from Alabama [Mr. BURNETT] asks to take from the Speaker's table the immigration bill and the President's veto message of the same, and the gentleman from Illinois [Mr. SABATH] asks that after the 40 minutes of debate the remaining 5 minutes be consumed in reading the President's message. Is there objection?

Mr. GARDNER. Mr. Speaker, reserving the right to object, would it not be a good plan to read the message first?

Mr. BURNETT. That was what I understood to be the gentleman's request.

Mr. SABATH. In view of the fact that there are so few Members here now, I think we owe it to the President as well as to the Members of the House that the message be read when the Members are here.

Mr. GARDNER. Mr. Speaker, I should be sorry to object, but I think the message should be read first.

Mr. SABATH. I will say to the gentleman that notwithstanding our previous agreement that there should be an hour and a half for general debate, I gladly yielded to a request to

shorten the time, notwithstanding there were a great many gentlemen desirous of securing recognition on the bill. I yielded for the convenience of the membership, and for that reason I hope the gentleman from Massachusetts will not object.

The SPEAKER. The Chair is inclined to think that as this veto message has been on the table for two or three days by unanimous consent, it ought to be read, and if the gentleman from Illinois wants it read at the conclusion of the debate, the Chair sees no objection.

Mr. BURNETT. I think the more orderly procedure would be to read it at the beginning.

The SPEAKER. The Chair suggested that under the practice of the House, and under the rules, the message having been on the Speaker's table for two or three days, it ought to be read at the beginning of the debate. The Chair lays it before the House—

Mr. SABATH. Mr. Speaker, that is the reason I ask unanimous consent that it be read at the conclusion of the debate.

The SPEAKER. The gentleman from Illinois asks that the message be read at the conclusion of the debate. Is there objection?

Mr. BURNETT. Mr. Speaker, I object, because I think the more orderly procedure would be to read it now.

The SPEAKER. The gentleman from Alabama objects, and the Clerk will read the bill by title, and then read the message.

The Clerk read the title of the bill (H. R. 10384) to regulate the immigration of aliens to, and the residence of aliens in, the United States.

The SPEAKER. The Clerk will read the veto message of the President.

The Clerk read as follows:

To the House of Representatives:

I very much regret to return this bill (H. R. 10384, "An act to regulate the immigration of aliens to, and the residence of aliens in, the United States") without my signature. In most of the provisions of the bill I should be very glad to concur, but I can not rid myself of the conviction that the literacy test constitutes a radical change in the policy of the Nation which is not justified in principle. It is not a test of character, of quality, or of personal fitness, but would operate in most cases merely as a penalty for lack of opportunity in the country from which the alien seeking admission came. The opportunity to gain an education is in many cases one of the chief opportunities sought by the immigrant in coming to the United States, and our experience in the past has not been that the illiterate immigrant is as such an undesirable immigrant. Tests of quality and of purpose can not be objected to on principle, but tests of opportunity surely may be.

Moreover, even if this test might be equitably insisted on, one of the exceptions proposed to its application involves a provision which might lead to very delicate and hazardous diplomatic situations. The bill exempts from the operation of the literacy test "all aliens who shall prove to the satisfaction of the proper immigration officer or to the Secretary of Labor that they are seeking admission to the United States to avoid religious persecution in the country of their last permanent residence, whether such persecution be evidenced by overt acts or by laws or governmental regulations that discriminate against the alien or the race to which he belongs because of his religious faith." Such a provision, so applied and administered, would oblige the officer concerned in effect to pass judgment upon the laws and practices of a foreign Government and declare that they did or did not constitute religious persecution. This would, to say the least, be a most invidious function for any administrative officer of this Government to perform, and it is not only possible but probable that very serious questions of international justice and comity would arise between this Government and the Government or Governments thus officially condemned should it exercise be attempted. I dare say that these consequences were not in the minds of the proponents of this provision, but the provision separately and in itself renders it unwise for me to give my assent to this legislation in its present form.

WOODROW WILSON.

THE WHITE HOUSE, January 29, 1917.

The SPEAKER. The gentleman from Alabama moves that on reconsideration of the immigration bill, the House pass the bill, the objections of the President of the United States to the contrary notwithstanding. The gentleman from Alabama is recognized for 20 minutes.

Mr. BURNETT. Mr. Speaker, I yield five minutes to the gentleman from Massachusetts [Mr. GARDNER].

Mr. GARDNER. Mr. Speaker, the President in his veto message calls attention to a certain clause which was included

in the immigration bill at the request of the Jewish people, a clause which enables persons of their faith, or of any harassed religious faith, to come into the country in spite of the fact that they can not read. Under the terms of this proposed law such persons are admissible to the United States provided that they can convince the immigration officials that they are fleeing either from oppressive religious laws or from religious persecution at the hands of the people of some foreign country.

The President declares that the clause in question imposes on our administrative officers the duty of passing "judgment upon the laws and practices of a foreign Government." He says that such a function is most "invidious" and that it may "lead to very delicate and hazardous diplomatic situations."

With all due respect to the President, there is nothing in his argument. We have had in the immigration law for years and years a provision which requires our administrative officers to "pass judgment upon the laws and practices of a foreign Government" whenever an alien immigrant seeking admission to this country claims to be the victim of political persecution. This new provision to which the President objects merely adds—

Mr. BENNET. Will the gentleman yield?

Mr. GARDNER. Not just now. This is an intricate subject.

Mr. BENNET. I will not interrupt the gentleman.

Mr. GARDNER. The existing immigration law, in section 2, among other things, provides—

That nothing in this act shall exclude, if otherwise admissible, persons convicted of an offense purely political, not involving moral turpitude.

That is in the law at present. That provision has been on the statute book for many years, and the administrative officers have again and again been obliged to exercise this function which the President describes as invidious; that is to say, the function of passing "judgment upon the laws and practices of a foreign Government." The new clause, to which the President objects, merely grants to religious refugees a special exemption analogous to that enjoyed hitherto by political refugees.

Moreover, we have with 23 different nations treaties which by their terms forbid the extradition from American soil of any sojourner from a foreign land who is pursued by his own Government solely because of a political offense. In observing the provisions of these treaties as well as in the execution of our immigration laws, it has long been the duty of our administrative officers to exercise precisely this discrimination which alarms the President.

What difference does it make to a foreign nation whether our administrative officers indict it and its people for religious oppression rather than for political oppression? For years every time we have admitted Irish and Prussian refugees to this country we have indicted foreign nations for political oppression. It has not led us to the verge of war. Why should we be alarmed if possibly at some time in the future our action might be construed into an indictment against an act of religious oppression?

Many a time have our administrative officers been called upon "to pass judgment upon the laws and practices of foreign Governments." Let us consider the case of Mylius, the Englishman. This is known as United States ex rel. Mylius against Uhl. Mylius was an Englishman who had been convicted of an exceptionally slanderous criminal libel, involving the succession to the throne of Great Britain. Mylius was convicted not of lese majeste, not of treason, but of criminal libel. Our immigration authorities passed "judgment upon the laws and practices of a foreign Government" and decided against Mylius. The court reversed that decision, deciding that the offense of Mylius was political.

I leave the Mylius case and come to one more recent. A certain man named Sichinsky was, in 1908, convicted of the murder of the governor of Galicia, in Austria. Sichinsky was convicted of murder, not of treason or lese majeste. "Insidious murder" was the charge. In 1915 Sichinsky fled to this country. Our immigration authorities refused him admission because they held that the crime of murder involved moral turpitude. The question came to the Department of Labor. The Assistant Secretary of Labor, Louis F. Post, passed "judgment upon the laws and practices of a foreign Government." By Mr. Post's order, in December, 1915, Sichinsky was admitted to this country because, as the Assistant Secretary of Labor looked on the matter, the murder of Galicia's governor was purely a political offense.

The SPEAKER pro tempore. The time of the gentleman from Massachusetts has expired.

Mr. SABATH. Mr. Speaker, I yield to the gentleman from New York [Mr. SIEGEL] 10 minutes, some of which time I under-

stand he desires to yield to some gentleman on that side of the House.

Mr. SIEGEL. Mr. Speaker, first I ask unanimous consent to extend my remarks in the RECORD.

Mr. BURNETT. Mr. Speaker, if the gentleman will permit, I ask unanimous consent that all gentlemen may have five legislative days in which to extend their remarks upon this bill.

The SPEAKER pro tempore [Mr. LINTHICUM]. The gentleman from Alabama asks unanimous consent that all gentlemen may have five legislative days in which to extend their remarks in the RECORD. Is there objection?

There was no objection.

Mr. SIEGEL. Mr. Speaker, the eyes of the Nation are centered on what we are about to do here to-day. Four times the immigration bill with its illiteracy test has been vetoed by our Presidents who have been elected not by one State but by the people of the entire country. The press of the United States as shown by its editorials is in favor of sustaining the veto of President Wilson. The leading Democratic newspaper, the New York World, in a short editorial on January 30, expressed itself as follows:

President Wilson's veto of the immigration bill was expected, his reasons for that action were prophetically understood, when the measure was passed in Congress. A broken and blood-stained Europe will have after the war few men to spare from tasks of restoration. In any case, no man is proved unfit for American citizenship by the fact that he is ambitious enough for his children to leave a land that neglected to give him an education.

Later, I shall read extracts from other leading newspapers which have taken the same view.

The Merchants Association of New York, the Republican County Committee of the County of New York, the New York Produce Exchange and a large number of other eminent bodies and educators of the land have expressed themselves in opposition to the immigration bill on account of the literacy test contained therein.

Ex-President Taft has not changed his views as his letter read by me on the floor of this House last March showed. The country can not find laborers to-day, whether it be for the factories or whether it be servant girls for ordinary house work.

In New York City we are unable to find men to take jobs as street cleaners although it means employment for life, medical attendance and a pension for old age.

The great trouble to-day is that the rough work will not be done by the educated American. Every one seems to be seeking employment where manual labor is not required.

To enact a bill at the present time containing a literacy test is to shut the doors of the United States to those who would come here, if come they do, to perform the rough manual labor which the average American has declined to do during the past 50 years.

Mr. Speaker, the present Speaker of the House is admired by all who know him. He is fearless and courageous in the expression of his views. He has served the country for a long time most faithfully and has been a public servant who has carried with him the respect of American citizenship, regardless of party affiliations. What he says is usually expressed by him after mature deliberation and after he has reached deep convictions of mind that he is right. It is proper, therefore, that I read at this point his written views, given to the Washington Post on April 9 last, showing that he does not believe that we will have a flood of immigration after the war. He says:

Many of our people view with grave apprehension the prospect of a vastly increased immigration into this country when peace is established beyond the seas—which is another sign of imagination. The chances are that the immigration into this country for a decade, perhaps for a generation, will be negligible; for good and sufficient reasons. Because so many have been killed, crippled, or incapacitated by disease, by exposure in camp, on the march or in the field, the prospect is that every man or woman desiring employment at home will be able to find it at a higher wage than heretofore. Therefore and thereby the temptation to emigrate will be diminished. Many persons seem to think that the only reason why immigrants come to America is because they desire to live in a Republic. No doubt that is the reason why many do come hither, but many others—a majority perhaps—come because of the greater rewards for labor, whether skilled or unskilled, whether of brain or of brawn. It is confidently submitted that both these motives are rational and honorable. These two classes embrace the bulk of the immigrants to American shores, not to mention the comparatively few who flee from religious or political persecutions, and others who, like the Knight of La Mancha, come in quest of ventures. It is safe to say that 95 per cent of all who emigrate from Europe leave the land of their birth with regret—a regret inherent in human nature itself and honorable to the human heart.

It is also safe to say that if the rewards of toil are even approximately equal in their own country and in another, most folks the wide world over prefer to stay in their native land, amid the scenes of childhood and in company with kindred and friends. It is not to Americans alone that the anthem, "Home Sweet Home," appeals, but to all the people of the earth.

When this stupendous conflict closes, laborers of every kind will be so scarce in the belligerent countries that wages are as certain to rise in

them as the sun is to shine, and just as wages increase, so emigration will decrease. It is bound to be so. It can not be otherwise.

Not more than two cases need be advanced to sustain the conclusion as to reduced immigration into this country.

The first mighty army of our immigrants came from Ireland because of the hard conditions prevailing at home, particularly as to religious freedom, education, rents, and ownership of land. Almost exactly in proportion as conditions have improved in Ireland, the Irish have ceased to emigrate—for no people are more ardent lovers of their native land.

Following the vast Irish immigration came that of the Germans, vaster still. Until some thirty or forty years ago our principal supply of immigrants came from Germany. When the present war began, the great stream of German immigrants had dwindled almost to the vanishing point. What was the reason for this shrinkage? It is clear that it was because the great industrial awakening of Germany—one of the most astounding phenomena of modern times—gave employment at home to hundreds of thousands at higher wages in new kinds of work. That was among the chief of the herculean labors Bismarck performed for his country. Germans found employment at home at more remunerative wages than were obtainable prior to the great industrial awakening, and the number of immigrants from the Fatherland grew constantly smaller, year by year, until it practically ceased altogether.

I repeat that that was one of the main benefactions which Bismarck wrought for Germany, for it made her one of the foremost manufacturing and exporting nations of the globe. And the truth is that no statesman or leader of men ever worked more persistently and industriously at any self-imposed task than the Kaiser Wilhelm II has labored to increase the manufactures and exports of Germany.

QUERY: If improved conditions as to the rewards of labor in Ireland and Germany, whence so many of our most desirable immigrants came in the earlier day, diminished the emigration from those countries, why is not the same result likely to happen in the present warring nations?

So it seems that instead of our country being swamped by a tremendous host of immigrants, the Anti-Immigration Society is likely to find itself in the condition of Othello, for its "occupation will be gone."

Let me at this time read a letter from the president of the university and commissioner of education of the State of New York, Dr. John Finley, wherein he says:

THE UNIVERSITY OF THE STATE OF NEW YORK,
THE STATE DEPARTMENT OF EDUCATION,
OFFICE OF THE PRESIDENT OF THE UNIVERSITY
AND COMMISSIONER OF EDUCATION.
Albany, January 22, 1916.

DEAR MR. SIEGEL: I held my answer to your letter thinking that I should be able to write you at greater length, but I have not as yet found it possible to do so.

I can only say this at the moment: That my attitude with regard to the literacy test would not be affected by the volume of the immigration, my point being that this (the literacy test) does not furnish a satisfactory test. It is true that it might diminish the volume, but I can not see that it would furnish a means for distinguishing between the desirable and the undesirable.

I hope I shall find time to set forth the matter more fully a little later.

Sincerely yours,

JOHN FINLEY.

To the Hon. ISAAC SIEGEL, House of Representatives.

Mr. Speaker, it affords me great pleasure to read the following letter from one of America's best-known philanthropists and active citizens:

NEW YORK, January 30, 1917.

Hon. ISAAC SIEGEL,
House of Representatives, Washington, D. C.

DEAR MR. SIEGEL: I take the liberty of writing you regarding the immigration bill, which has just been vetoed by the President, and is again before Congress for action, as I thought you would like to have my views on this important measure.

The bill, because of the literacy test, would have the effect of excluding those whose sole offense is that they have, without fault of their own, been denied the benefit of an education. It is not a test of character and would deprive the United States of valuable economic forces. In my opinion, the cause of illiteracy in most cases is lack of opportunity, and I do not think such lack of opportunity should bar those who wish to enter this country. They may later on acquire an education, but even if they did not their illiteracy would not affect their descendants, for they would very likely secure an education, and judging from the past there is a good chance that they would become worthy and loyal citizens. The parents of some of our best citizens were illiterate when they came here, and I think it would be a great mistake if men and women of sound mind and body, who are industrious and law-abiding, are deprived of the right to take up their homes in this country.

I hope you will do what you can to defeat this bill.

Yours, very truly,

ADOLPH LEWISOHN.

Mr. Speaker, this land has grown in size, in wealth, in numbers, in commerce and manufacture during the entire time that immigrants have been coming here in large numbers. Statistics prove beyond fear of contradiction that where the immigrant has settled in large numbers the greatest progress has been made in education, manufacture, and commerce. Laws for the protection of children and women from long hours of labor and for the general improvement of their working conditions and surroundings have been enacted in those very States. Workmen's compensation acts have been put into force. The hours of labor have been lessened. Labor unions have made their greatest progress therein. In those same States more men have enlisted in the Army and Navy of the United States and answered the call of the President in the past year, entirely out of proportion to the population of their States, than from those States where the immigrant is practically unknown. The smallest percentage of illiteracy is found in those States where the proportion of the foreign born is the greatest.

New York City, with its great foreign-born population, points with pride to its numerous schoolhouses and libraries and to the fact that its industries and commerce have been built up by the immigrant and his descendants. It asks you to take a glance at its educational institutions, and there you will find that 90 per cent of those who are attending its colleges, high schools, and night schools during the entire year, including summer, are either immigrants or their children.

Not a single Representative on the floor of this House from New York City has ever cast his vote in favor of an immigration bill that contained the literacy test. Who knows the immigrant and his children better than these Representatives who were born amongst them, lived near them, attended school with them, and sat side by side with them at colleges and universities?

Who attends the opera, even though it be in the galleries, the best theatrical productions, the museums of art and natural history in the city of New York? Who encourages in every way education, and strives hardest to give his children the best that money can afford in the line of education? Who tries in every way to see that his children take advantage of the opportunities that this country affords? Who makes the most use of our public libraries? In every instance you will find that it is the immigrant who is willingly making those sacrifices.

Mr. Speaker, I might give statistics showing that a large number of the members of the board of education of the city of New York, the Supreme Court of the State of New York, the civil service, both Federal and State, are all filled by immigrants or their children. They are rendering yeoman service in helping to make our Republic greater, grander, and nobler. They are doing their share to instill a spirit of real true Americanism which recognizes only one allegiance, and that allegiance is to our flag, country, and institutions.

Much has been said by some gentlemen, who favor the literacy test, that illiteracy produces crime. An investigation made by me shows that in the State of New York the number of illiterates in State prisons was not greater than the number of high-school and college graduates. The following statistics show the populations of various cities and the number of arrests made in each one of them:

City.	Population.	Arrests, 1916.
San Francisco, Cal.	416,912	51,430
Birmingham, Ala.	132,685	14,408
Columbus, Ohio	181,511	8,933
Richmond, Va.	127,628	13,220
Washington, D. C.	331,069	39,377
Cleveland, Ohio	560,663	20,524
Jacksonville, Fla.	57,699	9,459
Oklahoma City, Okla.	64,205	7,200
Cincinnati, Ohio	363,591	26,066
Providence, R. I.	224,326	10,183
Los Angeles, Cal.	319,198	45,024
Newark, N. J.	347,469	11,230
Wilkes-Barre, Pa.	67,105	3,347
Milwaukee, Wis.	373,857	11,292
Detroit, Mich.	465,766	45,587
Rochester, N. Y.	218,149	7,799
Philadelphia, Pa.	1,549,008	95,783
Denver, Colo.	213,381	10,045
St. Louis, Mo.	687,029	38,439

An examination by anyone interested establishes the fact that crime is no greater in the cities where the foreign population is large than in those cities where the native-born population predominates. One example is the city of St. Louis. Its population is 687,029. Its number of arrests for 1916 was 38,439, with only 142 being unable to read or write. The city of Washington, the number of arrests was 39,377, with a population according to the census of 1910 of 331,069. The other statistics of the city of St. Louis are contained in a letter which I read:

DEPARTMENT OF POLICE,
City of St. Louis, January 6, 1917.

HON. ISAAC SIEGEL, M. C.,
House of Representatives, Washington, D. C.

DEAR SIR: Replying to your letter of January 4, 1917, re statistics of arrests made by the St. Louis police department during the year 1916, I append the following:

1. Total number of arrests	38,439
2. Total number of convictions (record of convictions not kept)	
3. Total number of arrests for misdemeanors	23,163
4. Total number of arrests for felonies	15,276
5. Arrests, native born	34,861
6. Arrests, foreign born	3,578
7. Number able to read and write	38,287
8. Number unable to read and write	142

Very truly, yours,

WM. YOUNG,
Chief of Police.

Mr. Speaker, on the 25th of this month Cardinal Gibbons issued the following statement:

It is disappointing to many thoughtful citizens that the immigration bill has passed both Houses of Congress. By this measure illiterates will, in the future, be excluded from entrance into this country. It is to be hoped that Mr. Wilson will act with the same good judgment as he has done on a former like occasion and veto the bill. Similar bills have been vetoed by preceding Presidents, who have been cognizant of the harmful effect this test of literacy would have upon desirable immigration.

ILLITERACY NOT IGNORANCE.

Illiteracy should not be confounded with ignorance. There is an old axiom which reads that "intellectual attainments are not the test of virtue." Many of the most dangerous members of the community are men of keen and trained intellect, but of depraved morals. The normal, sturdy illiterate has a receptive mind, capable of early development. Had the United States refused such illiterates from the beginning of our Government, our country would have lost the benefit of their virtue, thrift, industry, and enterprising spirit. And the descendants of such forbears are an honor to their fathers and a credit and an asset to our country, for they have been rapidly incorporated and identified with the native population by the assimilating process of education and the common use of the English tongue. In consequence of this, it would be hard to differentiate the children of foreign immigrants from those of native American parents.

I have so often expressed my personal views in regard to the literacy test that I believe that the best interests of the immigrant and the country can be served by inserting here the four messages vetoing the respective immigration bills containing the literacy test. These messages are respectively as follows:

President Grover Cleveland's veto message:

MARCH 2, 1897.

To the House of Representatives:

I hereby return without approval House bill No. 7864, entitled "An act to amend the immigration laws of the United States."

By the first section of this bill it is proposed to amend section 1 of the act of March 3, 1891, relating to immigration by adding to the classes of aliens thereby excluded from admission to the United States the following:

"All persons physically capable and over 16 years of age who can not read and write the English language or some other language."

A radical departure from our national policy relating to immigrants is here presented. Heretofore we have welcomed all who came to us from other lands except those whose moral or physical condition or history threatened danger to our national welfare and safety. Relying upon the zealous watchfulness of our people to prevent injury to our political and social fabric, we have encouraged those coming from foreign countries to cast their lot with us and join in the development of our vast domain, securing in return a share in the blessings of American citizenship.

A century's stupendous growth, largely due to the assimilation and thrift of millions of sturdy and patriotic adopted citizens, attests the success of this generous and free-handed policy which, while guarding the people's interests, exacts from our immigrants only physical and moral soundness and a willingness and ability to work.

A contemplation of the grand results of this policy can not fail to rouse a sentiment in its defense, for however it might have been regarded as an original proposition and viewed as an experiment, its accomplishments are such that if it is to be uprooted at this late day its disadvantages should be plainly apparent and the substitute adopted should be just and adequate, free from uncertainties, and guarded against difficult or oppressive administration.

It is not claimed, I believe, that the time has come for the further restriction of immigration on the ground that an excess of population overflows our land.

It is said, however, that the quality of recent immigration is undesirable. The time is quite within recent memory when the same thing was said of immigrants who, with their descendants, are now numbered among our best citizens.

A careful examination of this bill has convinced me that for the reasons given and others not specifically stated its provisions are unnecessarily harsh and oppressive, and that its defects in construction would cause vexation and its operation would result in harm to our citizens.

GROVER CLEVELAND.

The veto message of President William Howard Taft:

To the Senate:

I return herewith, without my approval, S. 3175.

I do this with great reluctance. The bill contains many valuable amendments to the present immigration law which will insure greater certainty in excluding undesirable immigrants.

The bill received strong support in both Houses and was recommended by an able commission after an extended investigation and carefully drawn conclusions.

But I can not make up my mind to sign a bill which in its chief provision violates a principle that ought, in my opinion, to be upheld in dealing with our immigration. I refer to the literacy test. For the reasons stated in Secretary Nagel's letter to me, I can not approve that test. The Secretary's letter accompanies this.

WM. H. TAFT.

THE WHITE HOUSE,

Washington, February 14, 1913.

The first veto message of President Woodrow Wilson:

To the House of Representatives:

It is with unaffected regret that I find myself constrained by clear conviction to return this bill (H. R. 6060, "An act to regulate the immigration of aliens to and the residence of aliens in the United States") without my signature. Not only do I feel it to be a very serious matter to exercise the power of veto in any case, because it involves opposing the single judgment of the President to the judgment of a majority of both the Houses of the Congress, a step which no man who realizes his own liability to error can take without great hesitation, but also because this particular bill is in so many important respects admirable, well conceived, and desirable. Its enactment into law would undoubtedly enhance the efficiency and improve the methods of handling the important branch of the public service to which it relates. But candor and a sense of duty with regard to the responsibility so clearly imposed upon me by the Constitution in matters of legislation leave me no choice but to dissent.

In two particulars of vital consequence this bill embodies a radical departure from the traditional and long-established policy of this country, a policy in which our people have conceived the very character of their Government to be expressed, the very mission and spirit of the Nation in respect of its relations to the peoples of the world outside their borders. It seeks to all but close entirely the gates of asylum which have always been open to those who could find nowhere else the right and opportunity of constitutional agitation for what they conceived to be the natural and inalienable rights of men; and it excludes those to whom the opportunities of elementary education have been denied, without regard to their character, their purposes, or their natural capacity.

Restrictions like these, adopted earlier in our history as a Nation, would very materially have altered the course and cooled the humane ardors of our politics. The right of political asylum has brought to this country many a man of noble character and elevated purpose who was marked as an outlaw in his own less fortunate land, and who has yet become an ornament to our citizenship and to our public councils. The children and the compatriots of these illustrious Americans must stand amazed to see the representatives of their Nation now resolved, in the fullness of our national strength and at the maturity of our great institutions, to risk turning such men back from our shores without test of quality or purpose. It is difficult for me to believe that the full effect of this feature of the bill was realized when it was framed and adopted, and it is impossible for me to assent to it in the form in which it is here cast.

The literacy test and the tests and restrictions which accompany it constitute an even more radical change in the policy of the Nation. Hitherto we have generously kept our doors open to all who were not unfitted by reason of disease or incapacity for self-support or such personal records and antecedents as were likely to make them a menace to our peace and order or to the wholesome and essential relationships of life. In this bill it is proposed to turn away from tests of character and of quality and impose tests which exclude and restrict, for the new tests here embodied are not tests of quality or of character or of personal fitness, but tests of opportunity. Those who come seeking opportunity are not to be admitted unless they have already had one of the chief of the opportunities they seek, the opportunity of education. The object of such provisions is restriction, not selection.

If the people of this country have made up their minds to limit the number of immigrants by arbitrary tests and so reverse the policy of all the generations of Americans that have gone before them, it is their right to do so. I am their servant and have no license to stand in their way. But I do not believe that they have. I respectfully submit that no one can quote their mandate to that effect. Has any political party ever avowed a policy of restriction of this fundamental matter, gone to the country on it, and been commissioned to control its legislation? Does this bill rest upon the conscious and universal assent and desire of the American people? I doubt it. It is because I doubt it that I make bold to dissent from it. I am willing to abide by the verdict, but not until it has been rendered. Let the platforms of parties speak out upon this policy and the people pronounce their wish. The matter is too fundamental to be settled otherwise.

I have no pride of opinion in this question. I am not foolish enough to profess to know the wishes and ideals of America better than the body of her chosen representatives know them. I only want instruction direct from those whose fortunes, with ours and all men's, are involved.

WOODROW WILSON.

THE WHITE HOUSE, 23 January, 1915.

The President's second veto message is as follows:

I very much regret to return this bill without my signature.

In most of the provisions of the bill I should be very glad to concur, but I can not rid myself of the conviction that the literacy test constitutes a radical change in the policy of the nation which is not justified in principle. It is not a test of character, of quality, or of personal fitness, but would operate in most cases merely as a penalty for lack of opportunity in the country from which the alien seeking admission came. The opportunity to gain an education is in many cases one of the chief opportunities sought by the immigrant in coming to the United States, and our experience in the past has not been that the illiterate immigrant is as such an undesirable immigrant. Tests of quality and of purpose can not be objected to on principle, but tests of opportunity surely may be.

Moreover, even if this test might be equitably insisted on, one of the exceptions proposed to its application involves a provision which might lead to very delicate and hazardous diplomatic situations.

The bill exempts from the operation of the literacy test "all aliens who shall prove to the satisfaction of the proper immigration officer or to the Secretary of Labor that they are seeking admission to the United States to avoid religious persecution in the country of their last permanent residence, whether such persecution be evidenced by overt acts or by laws or governmental regulations that discriminate against the alien or the race to which he belongs because of his religious faith."

Such a provision, so applied and administered, would oblige the officer concerned in effect to pass judgment upon the laws and practices of a foreign government, and declare that they did or did not constitute religious persecutions. This would, to say the least, be a most invidious function for any administrative officer of this Government to perform, and it is not only possible, but probable, that very serious questions of international justice and comity would arise between this Government and the government or governments thus officially condemned, should its exercise be adopted.

I dare say that these consequences were not in the mind of the proponents of this provision, but the provision separately and in itself renders it unwise for me to give my assent to this legislation in its present form.

Let me at this time quote a letter which I received from Commissioner of Immigration Frederic C. Howe, which reads as follows:

U. S. DEPARTMENT OF LABOR, IMMIGRATION SERVICE,
OFFICE OF COMMISSIONER OF IMMIGRATION,
Ellis Island, New York Harbor, N. Y., January 17, 1917.

Hon. ISAAC SIEGEL,
Member of Congress, Washington, D. C.

MY DEAR MR. SIEGEL: I have not seen the newspaper abstract of my speech at Detroit a week ago last Sunday, but most newspaper abstracts are very incomplete. What I did say was that all opinions as to immigration after the war were merely conjectural, but that we were faced with the possibility of emigration out of this country after

the war. I have a great deal of evidence to this effect from all over the country, which is corroborated by the statements of the steamship lines and railroad companies. The causes for this probable emigration are a desire to revisit the countries from which foreigners have been excluded for nearly three years, anxiety about their relatives, and a very general belief on the part of certain aliens that land is going to be cheap in Europe, especially central Europe, and that they can invest their savings there in a homestead on conditions far more satisfactory to them than in this country. In addition to that it is quite possible that wages will be high in Germany, England, France, and parts of central Europe, which will serve as a suction not only to take people out of this country but to keep foreigners at home.

I have no doubt but that the wide socialization of industry that has taken place will be continued for some years to come from necessity if from no other reason. And if high wages prevail abroad and the countries look after their people in an intelligent way, and if in addition to that it is more difficult to emigrate, it is quite likely that immigration will remain at a low ebb.

On the other hand, the 20,000,000 men who have been at the war front have undoubtedly been made restive and adventurous; there are widows and families back home, and many friends in this country would like to care for them; while Russia, Hungary, and Poland have suffered so acutely during the war and are so badly organized internally that it is quite probable that many persons will seek America from these countries. My own opinion is that we will have a very heavy immigration from central Europe, but that the immigration from western Europe will not be materially changed. Of course, industrial conditions in this country will influence immigration, as it always does, as will the actions taken by European countries to either restrict or encourage emigration.

All this is a mental gamble, I admit, and your opinion is just as valuable as mine. I am merely giving you the net results gained from talking with a good many persons from Europe, as well as with bankers, railroad and steamship men, and employers in this country.

Very sincerely, yours,

FREDERIC C. HOWE.

Mr. Speaker, the following is the statement issued by the Merchants Association of the city of New York, condemning the immigration bill on account of its literacy test:

"The matter was brought to the attention of the board of directors at its last meeting, and the literacy test was carefully considered," said the announcement. "The association created a committee a dozen years ago to study the question of immigration. That committee came to the conclusion that the manual labor necessary for the constructive development of the United States, such as reclamation projects, railroad building, and water works construction, could be obtained only through immigration, and that a large proportion of such manual labor, so necessary to the development of the country, would be debarred by an educational or literacy test."

"The directors unanimously adopted the following:

"Resolved, That the enactment of any immigration restriction measure based upon the application of a literacy test would be detrimental and injurious to the development of the country, and therefore should be opposed, and that the association congratulates the President of the United States upon the former veto of a similar measure and urge him likewise to veto the pending measure."

Following also, Mr. Speaker, is the resolution adopted by the New York Produce Exchange on January 27, 1917:

NEW YORK PRODUCE EXCHANGE,
New York, January 27, 1917.

H. R. 10384.

Hon. ISAAC SIEGEL.

DEAR SIR: In reference to House resolution 10384, "An act to regulate the immigration of aliens to, and the residence of aliens in, the United States," the New York Produce Exchange has carefully examined the text of the bill as passed by the House of Representatives April 8, 1916, and the Senate December 14, and desires to enter a vigorous protest against the passage of this bill unless the literacy test as contained in the paragraph on page 9, beginning with line 15, to page 11, line 7, is eliminated, for the following reasons:

First. The aliens who will be most affected if this bill should become a law would be common laborers, farm laborers, miners, those engaged on railroad construction work, subways, teamsters, draymen, servants, etc. The reports of the Commissioner General of Immigration for the five years before the war, as from 1909 to 1913, inclusive, show that there arrived in the United States aliens over 14 years of age who could not read or write, 1,074,163, or 24 per cent of the whole number admitted. These people would have been excluded if this bill had been a law during those years, not because of any moral or physical defect, but simply because in most cases they have lacked the opportunity to learn to read.

Second. We are short of laborers now and our information leads us to believe that after the war is over there will be a great many aliens in this State who will return to Europe, and we are convinced that there will be a greater shortage of laborers for several years after the close of the war than we have now. We believe that the commercial competition of the United States with foreign nations will be so strenuous that no slightest unnecessary handicap should be imposed upon our industries. We believe this literacy test would be a serious handicap, and if it becomes a law, that it will injure the business of the State of New York and of the whole country.

Third. The naturalization laws of the United States do not require an alien to be able to read and write to become a citizen, and we can not believe it is necessary for an alien to have a better education in order to dig a ditch or mine coal than would be necessary if he assumed the higher duties of citizenship.

The New York Produce Exchange has petitioned the President of the United States to veto House Resolution 10384, and respectfully urges you to use your influence to prevent the adoption of the resolution by Congress in the event of the President's disapproval.

Respectfully, yours,

L. B. HOWE,
Secretary.

On March 31 last the New York Evening Sun printed the following editorial:

LITERACY TEST AGAIN.

It is growing to be a custom with Congress to send the President an immigration bill with a literacy clause to veto. The House played true

to form lately in voting the literacy test into the Burnett immigration bill, that all might see how the faithful Representative stands ready at all times and in all ways to serve the native workingman.

The test now put forward provides that aliens, to graduate from Ellis Island, must know how to read and write each his own language. It is hard to see how ability to read the Hungarian bards will avail a laborer in a rolling mill or how a good working knowledge of Russian script will help a New York housemaid. Very little is to be gained by the country in requiring such exotic accomplishments of intending settlers.

On December 17 the New York Sun editorially said:

The literacy test for immigrants is a child of prejudice and selfishness. Its imposition at any time in the Nation's history would have retarded the progress of the country and deprived us of thousands of loyal and devoted citizens who contributed by their own efforts and through their offspring to the upbuilding and defense of the United States.

Three Presidents—Cleveland, Taft, and Wilson—have vetoed this disastrous, unstatesmanlike restriction. To Mr. Wilson another opportunity is to be given to reject it; and that opportunity comes at a time when depleted labor markets, industries crippled by lack of workers, and commercial conditions exposing our present and future need of able-bodied immigrants must impress on the intelligence of disinterested observers the folly of locking the door to any individual of good health, honest mind, and friendly disposition.

Mr. Wilson has already given the final evidence of his understanding of this project. We hope no presumed mandate of legislative reiteration will cause him to abandon his defense of what has been and should remain a cardinal principle of American policy.

On Monday last the Washington Star contained this editorial:

THE LITERACY TEST.

Three Presidents have vetoed the proposition to make literacy a test for immigrants. Mr. Cleveland did so March 2, 1897, on the eve of leaving office, and Mr. Taft February 14, 1913, on the eve of his retirement. Yesterday's was Mr. Wilson's second veto. The first occurred almost a day two years ago.

An effort will be made to pass the bill over the veto, and its friends, pointing to sentiment already declared in both House and Senate on the measure, expect to succeed.

Congress is singularly insistent on this test. It has been 20 years since the question was first presented to Mr. Cleveland; and he rejected the proposition on much the same grounds that subsequently influenced Mr. Taft, and have twice influenced Mr. Wilson. Two Democratic Presidents and one Republican President have taken the same view.

The argument against the test is simple and direct, and does not rest on theory. It is susceptible of proof that some of our best citizens found their opportunity to acquire an education after reaching this country. In part that opportunity had attracted them; and when they had gained it they improved it to the extent that they were enabled to improve all the other opportunities of the country, and thus take places among the country's best supporters. A literacy test would have excluded them, forced them to continue their hard lives in the countries of their nativity, and deprived America of recruits of genuine worth.

The immigration laws might and should be improved. There is sentiment in support of that proposition. The gates have been swinging inward too freely. We have received some very undesirable persons, and too speedily admitted them to citizenship. But as a rule they have not been illiterates. They did not come to us to help strengthen the country and increase its attraction as a land of promise. Their aims and ends were of another order, and they have pursued them to their advantage and to the country's discredit. A literacy test would not have barred them.

If Congress overrules the President and writes the test on the books, the question will not be closed. It is of a nature to rise again, and at the close of the war it may be in stronger form than ever.

The Washington Post on January 31, 1917, expressed itself as follows:

AGAINST THE LITERACY TEST.

The persistence with which Congress puts through immigration measures containing a literacy test is only equaled by the unflinching regularity with which Presidents, irrespective of party, veto the bills because of the abnoxious feature of legislation contained therein.

This clearly points to a difference of attitude, if not of conviction, between the legislative body and the chief executive in their respective views on this proposition. The question naturally arises as to which is right.

If the basis of consideration be that of the principles of our established government or of the instinctive feelings of the people, there can hardly be any doubt that both the principles and the spirit have been correctly interpreted by the Presidents who rejected the assumption that an inability to read determines the kind of citizenship that is not to be welcomed to our shores.

Neither is there any reason to believe that the human elements so long regarded as desirable are desirable no longer. The man who wants to come, even though illiterate, has given evidences of the promptings of movement toward a better goal as already resident within him. He is looking for a better country and freer opportunities. These gained, he has already brought a measure of appreciation that augurs well for his future.

Moreover, the illiterate immigrant, if of the right sort otherwise, customarily holds an education in the highest respect. It has been remarked that none are so desirous of educating their children as these new arrivals, most of them undergoing much personal privation without a murmur if only that which they were denied might be the possession of the generation that is to follow them.

Again, the natural tendency of education is to lead the educated out of certain lines of work that must be performed. These lines are accepted gratefully by the illiterate immigrant. He usually is brought up to hard work and accepts it uncomplainingly. Thus a steady stream of genuine "desirables" is obtained under the present immigration laws, in so far as the absence of a literacy test is involved.

The literacy test will never solve the problem of keeping out undesirable immigration. Most of Europe's worst material can read and write. If the law needs strengthening in order to protect the United States against the entrance of the criminal or defective, a literacy test will never accomplish the desired end.

Only a few days previous the Washington Post printed the following editorial:

CHEAP LABOR.

The danger that there will be a heavy influx of cheap labor importations after the war is far greater than the danger of an influx of laborers. Nearly all the economists in the United States agree that European nations will seek to recoup their losses at the close of the war by underselling in the American market. The economists are by no means convinced, however, that there will be an increase in immigration.

Yet Congress has taken steps to restrict immigration, while no steps are taken to restrict cheap-labor importations. It may turn out that there will be a series labor shortage in the United States at the close of the war. Certainly there is such a shortage now. Measures may be taken by the European nations to restrict emigration, but it is a foregone conclusion that they will take no such steps to restrict their exports.

The literacy test, which Congress recently approved, probably is the most foolish and un-American test that could be devised. Many immigrants who can neither read nor write make excellent American citizens. Many of them come here for the particular object of educating themselves and their children. Having no anarchistic teachings to unlearn, they are good material for citizenship.

Many of the immigrants who can read and write, on the other hand, make poor citizens. The theories they have already formed may be wholly in conflict with the spirit of American institutions. They may be unwilling to do any work that is required of them.

Plainly the literacy test is not an effort to improve immigration, but is an effort to restrict it. If the purpose is to reduce the supply of cheap labor because it is not desirable that American workmen should compete with such labor, it would be far better to strike the evil at its source by establishing a protective tariff that will minimize the importation of products made by cheap labor abroad.

The New York Times sums up the whole question, on January 31, 1917, in an editorial which reads as follows:

THE IMMIGRATION BILL VETO.

President Wilson has vetoed for the second time an immigration bill which, by the unsound and untenable literacy test, seeks to exclude foreign labor at the demand of organized labor. Mr. Cleveland and Mr. Taft vetoed similar measures setting up a similar test. The present bill includes many desirable restrictions and provisions. Its framers have sought ingeniously, but in vain, to atone by these for its essential and fatal theory and principle. The unconquerable objections to a literacy test have been stated again and again in the last generation. Mr. Wilson summarizes them luminously and convincingly:

"It is not a test of character, of quality, or of personal fitness, but would operate in most cases merely as a penalty for lack of opportunity in the country from which the alien seeking admission came."

"The opportunity to gain an education is in many cases one of the chief opportunities sought by the immigrant in coming to the United States, and our experience in the past has not been that the illiterate immigrant is, as such, an undesirable immigrant. Tests of quality and of purpose can not be objected to on principle, but tests of opportunity surely may be."

There is nothing to be added to that. The proposers of the test are aware of its weakness. It was the avowed means of the unavowed purpose of keeping out foreign labor and keeping up the price of the domestic supply so curtailed.

Furthermore, Mr. Wilson turns against the makers of the bill a provision adroitly inserted to dull the edge of the literacy test and to appeal to the generous sympathies of himself and all Americans with the victims of religious persecution. That provision exempts from the literacy test aliens "who shall prove to the satisfaction of the proper immigration officer or the Secretary of Labor" that they have come to the United States "to avoid religious persecution in the country of their last permanent residence, whether such persecution be evidenced by overt acts or by laws and governmental regulations that discriminate against the alien or the race to which he belongs because of his religious faith."

Mr. Wilson points out that the application of this exemption would require the immigration officers "to pass judgment upon the laws and practices of a foreign Government," and would probably raise "very serious questions of international justice and comity between this Government and the Government or Governments thus officially condemned." The immigration officials cause personal irritation enough now. Made impromptu judges and interpreters of foreign laws, history, fact, heated and heating religious and ethnic questions, what international disputes, what straining of international relations, what exacerbation of foreign nerves might their zealous, floundering execution of their duties under this exemption cause?

The bill comes up in the House to-morrow. The attempt to pass it over the veto should fail as it failed in the case of the veto of its predecessor in 1915. The large majorities which passed the bill last year, 308 to 87 in the House, 64 to 7 in the Senate, are curious and artificial. They are a sign, rather, of the effective discipline exercised by the American Federation of Labor and of the readiness of Congress to yield to the propaganda and demands of a minority of public opinion with an over-estimated batch of votes behind it. It is true that there is a strong and general wish, grown greatly in the last few years, for an honest regulation of immigration, for restriction of immigration.

The old, easy faith in never barring the door has gone. A belated wisdom, a soberer view, has taken the place of the sentimental optimism that ruled so long. The literacy test is dishonest and unintelligent. History and daily life and everybody's experience tell him that. He knows that literacy is no guarantee of good morals, no certificate of the strong hands, the willing hearts, the industry, energy, integrity which the country needs. Some time, perhaps, the United States will approach this question, so vital to its growth and welfare, as Canada approaches it, coldly, sensibly, with no political intention; will ask of an immigration bill not "Are there votes in it?" but "Is it for the best interests of the United States; will it give us workers of the kind we need and keep out the other kind?"

It is usually difficult, it ought to be difficult, to override the President's veto: Mr. Wilson's veto of the immigration bill rests on irrefragable reasons. It is sustained, we believe, by the intelligence, the sense of fair play and justice, of the country. It should be sustained by Congress.

Mr. Speaker, I have in my congressional district thousands of men, women, and children who came from Italy. I know from my own knowledge that the Italian immigrant is a hard and conscientious worker endeavoring in every way to give his children an education. Reference has been previously made by me to the fact that 12 per cent of those attending Columbia University are either Italian immigrants or their children. It is because of the fact that frequent reference has been made here that the Italian immigrant is undesirable that I take great pleasure in reading parts of the address delivered by Mr. Philip Troup at New Haven, Conn. Amongst other things, he said:

The sons of every nation are so proud of their contribution to American progress that we sometimes forget that the late comer may be taking up this work where our fathers left it off. Italian immigration to this country is such a comparatively recent and rapid event that it has not received the recognition and attention it deserves. Previous to his coming American knowledge of the Italian was commonly confined to the single fact that the discoverer of this country, Christopher Columbus, was born an Italian. Even our scholars were more concerned about the dead Roman Empire than about living modern Italy. Prior to 1890 we had little thought of a possible generous Italian contribution to our national growth. I use these words, "generous contribution to our national growth" advisedly, because when it is considered that 85 per cent of Italians who have come to America were between the ages of 18 and 45 and that every one of these able-bodied workers must have cost his native land not less than \$1,100 apiece to rear to maturity, it can be readily computed that from the economic standpoint alone Italy's contribution to American industry has not been a small one.

It is sometimes complained among trade unionists that the unskilled immigrant curtails in some way the chances of American-born skilled labor. On the contrary, it is immigration that assures skilled labor that supply of help to do the rough work which must be a preliminary to all industrial enterprise. There is not, in fact, a single case in which immigration has not tended to increase rather than diminish the demand for skilled workers. Stop immigration into this country to-day, even decrease its flow, and thousands of skilled workers will by force of necessity find themselves listed in the ranks of the drawers of water and the hewers of wood. If the American standard of labor and living has been harmed by the immigrant influx, it is a remarkable fact that it has steadily improved in the very face of such an immigrant tide.

It is also often said that the Italian has located in undue numbers in our large cities; yet he has done so to no greater extent than the immigrants from other nations. It is perfectly natural for the immigrants to gravitate first to the cities, and the Italian cafoni has proven no exception to this rule. It is the city that offers to the willing worker who does not know our language, whose funds are necessarily meager, that best opportunity for immediate employment which to them is a positive necessity. I am not trying to cover up or condone the evils incident to a congestion of Italian and other immigration in our cities. What I do say is, that in spite of his poverty, his handicaps, the crowded tenement, where health and decency has been so often disregarded, the Italian has become a thrifty, progressive citizen. From year to year his condition has been greatly improved and his success in our keen American field of competition is ample proof of his fitness for American citizenship. There is no doubt that the Italian immigrant has been exploited and imposed upon; exploited by the padrone, imposed upon by the American. He has been more sinned against than sinning, and the real issue rests not so much in what the Italian has done to us as in what we Americans have done and are going to do for and to him.

With centuries of peasant blood in his veins, we have allowed him to fill our city slums while our great farm lands in the South and West, crying for his ever-ready spade and hoe, have been neglected. The Italian has not shunned agriculture and frowned on the farm in America. The magnificent vineyards at Asti in California, the hundreds of splendid truck gardens near our every American city and town attest to this fact. The truth is the American agriculturist has simply neglected the Italian—for what has any agricultural State done except California and Louisiana to attract Italian immigration to its farm land?

There are to-day 242,000,000 acres of fertile unimproved farm lands in the South alone clamoring to nature for cultivation. Here is an area 75 times the size of Connecticut. Nearly half of this land lies east of the Mississippi River, and no section of God's green earth offers such a field for diversified and intensive farming. Moreover, of all the immigration to this country, the intelligent southerner concedes that that from Italy is the best adapted for the agricultural and industrial upbuilding of the South.

Yet we sometimes hear alarmists fearfully fulminate about the danger of America being overrun by immigration. In this connection it might be well to point out that just prior to the European war little Belgium herself was supporting a population in proportion to its area 25 times as great to the square mile as our present population in the United States. The average density of population in the United States to-day is about one-fourteenth per square mile of that in Italy; yet the Italian Government has for many years been complaining about and trying to check the drain of its working population to this country. As a matter of fact, compared to its population, less immigration is coming to this country to-day and has come during the past 10 years than came between 1890 and 1900 or even between 1880 and 1890. The United States really has no cause to fear that she will get too much immigration. On the contrary, because of the European conflict, there is a very real danger that for many years to come we will not get enough of it.

It is conceded, however, by some people who favor a more drastic restriction of immigration that while we have plenty of room here, we still have not the proper means to handle, distribute, and assimilate the immigration that is coming to us. The remedy for this condition, however, is not to be found in checking a proper and productive flow of labor into this country which is so badly needed; but rather in its better distribution after it reaches our shores.

The chief trouble, therefore, with our foreign immigration in general and our Italian immigration in particular is to be found rather with how we handle it, not with our getting too much of it. Economically, what America and every nation needs is not less production and wealth, but a fairer distribution of the wealth it creates. Likewise, what we need is not less immigrant labor; but rather a better distribution of those immigrants that come to us.

It may seem a unique proposition, this idea that the Government should distribute labor; but it is an idea that has actually been worked out with marked success in New Zealand and Canada, and it is a far more rational attitude toward immigration than to attempt to

exclude it, and a far more desirable course than to permit it to congest in our cities to its own and our own detriment. We have concentrated our attention altogether too much in recent years in filtering immigration and not enough upon diffusing it.

The latest proposal for the filtration of immigration * * * is to apply the so-called literacy or educational test. Under this un-American plan the immigrant, no matter how skilled, or honest, or willing he may be, is to be barred out unless he can read so many sentences from a Federal Constitution designed by its framers so that the oppressed and lowly of all nations might enjoy unhampered, in this land at least, life, liberty, and the pursuit of happiness. And all this is actually proposed in the very face of the fact that hundreds of thousands of illiterate immigrants have been the very bone and sinew of our national growth—blazing the trail of our ever onward march westward, opening our mines, reclaiming our waste lands, building our cities. I have known too many illiterate people with a love of work and service in their souls and too many educated people without it; too many illiterate folks with the God-given gift of common sense and too many educated people without it; too many uneducated saints and too many educated sinners to take very much stock in a literacy test as a measure of character or indication of fitness for American citizenship. If Almighty God in His infinite wisdom had ever intended the soil of America to be reserved merely for those fortunate enough to have enjoyed educational advantages in their own lands, then it is really too bad that Christopher Columbus was ever allowed to discover this new world with an illiterate crew.

Then there is that class of snob in whom pride of race has such an ancient and fishy smell that it is their constant fear that the purity of their aristocratic blood will be defiled by the alien invasion from southern Europe. Here we have an old conceit in a new dress. Daniel De Foe satirized it out of existence over 200 years ago, but in order to save funeral expenses its corpse has been sneaking about mother earth ever since, forgetful that after all the great nations and races have been those of mingled bloods and that good blood, like good tobacco, depends upon the mixture.

The American Nation is in fact great because we also are a mixed race, a veritable congress of nations. Let a people breed in and in and it will sooner or later go stale, wash out, become decadent. The old New England Yankee stock can thank God to-day that a new infusion of immigrant blood is saving it from itself. The salvation of America comes to us not in the cabin de luxe, but in the steerage of our ocean liners. The cradle of America's future rests as truly in the hold of a ship arriving in New York Harbor to-day as it rested in the hold of the *Mayflower* when she put into Plymouth Harbor in 1620.

And why in this process of transfusion of the blood of all the nations of the world into a great world nation should any thinking person object to the Italian and the Latin stock? The poorest son of Italy who comes to our shores brings with him a splendid heritage. Out of our Anglo-Saxon egotism we sometimes forget that he can trace his ancestry to the talented Etruscan and the cultured Greek. When our forefathers were still living in caves and rude huts, clothed in the skins of wild beasts, and indulging in savage warfare, the Italian's forbears could rightly boast of the best civilization in Europe. Everything that was finest in Roman achievement and was not swept away when our northern ancestors overran the plains of Lombardy has come back to us again through Italy and Italian sources, for after the so-called dark ages the light of learning, the revival of culture, the first renaissance came in Italy.

Here the peasant became the partner of the landlord and divided with him the harvest. Here church and school, religion and education, commerce and art, cooperated until the thirteenth century in Italy has been considered by some historians as the greatest of all time. Italy became the center of commerce and culture for all Europe, the mecca of merchant and scholar, of musician and artist, of priest and teacher, a veritable inspiration for the whole civilized world.

Talk sneeringly then of these people of Southern Europe and proudly boast of our Anglo-Saxon strain? Where, in God's name, did the self-satisfied Saxon get his poetry and drama, his art and science, his very religion, if not from Italy? Read the story of science and scientific achievement; read the history of art; study Chaucer, and Spencer, and Shakespeare. Even Milton, most puritanical of all the British poets, first courted the muse under Italian skies. Byron found solace there and inspiration for his embittered soul. All that remain mortal of Keats and Shelley now lies beneath the shadow of Rome, while in Florence the genius of Browning soared and his memorial tablet in Venice bears the lines of his poem, "Open my heart and you will see, graved inside of it, Italy."

We ask, then, is it undesirable to transplant to and perpetuate in this land the spirit and blood of those who builded the greatest empire of all antiquity, rescued civilization from its dark ages, and have resurrected again in a startlingly few years one of the greatest and best nations of modern Europe? We ask what authority will dare proscribe the sons of a nation with such remarkable traditions and such recent achievements? Who shall dare to bar them from this new world that one of her own illustrious sons gave to the old? These are the lineal descendants of the race that gave so many illustrious sons to church and state, to industry and art that it is impossible to count them.

Outside the clergy and in the ranks of the laymen alone, Italian achievement has been no less pronounced. To recall to memory only a few of the illustrious sons that Italy has given to world progress, we might point out that to science she gave Galileo and Bruno; to war, Castruccio and Bonaparte; to prose, Boccaccio; to poetry, Dante, Petrarca, Ariosto, Tasso, and our present-day D'Annunzio; to art she has given Angelo and Raphael and Titian; to all culture, Da Vinci; to such beautiful music as we have listened to to-night, we are indebted to such Italians as Verdi, Rossini, Donizetti, and Bellini; and to the stage Italy has given us a Ristori and a Duse, a Salvini and a Rossi; to humanity, Savonarola and Renshi; to statecraft, Cavour and Victor Emmanuel; and to eternal patriotism, Mazzini and Garibaldi.

But we need not look to the past and its hallowed history for our evidence that the Italian is the stuff out of which the future American can be made.

Not Sons of Italy, real Americans have no fears about Italian immigration. The son of Italy in America is taking care of himself very nicely and will, we hope, continue to do so in increasing numbers. There is not a teacher in our public schools who will not gladly attest to the progress of the children of Italian extraction and the splendid and far-reaching effect of their training and education in the Italian homes.

Americans with the true spirit of this land in their souls have too much faith in our public schools to fear the effects of immigration. Every time, in fact, that I note the children of foreign birth and extraction come marching down our public-school steps carrying just as lustily "The Star-Spangled Banner" as any of the native-born children, I know the grand old flag and the grand old Nation of our fathers is safe.

Mr. Speaker, I hope that the House to-day will not forget the traditions which have helped to make this Republic so powerful and so great.

I hope that it will not go on record to-day in favor of shutting the gates of the United States to those who may come here after the war, mentally, morally, and physically fit to become citizens of the United States, but whose only crime has been that their native country has not given them an opportunity to receive an education. Let us be guided in the future by the lessons of the past. Let us welcome to our shores those who are able to enter under our present immigration laws and who desire to come here to become citizens of our great Republic, prepared to earn their living by the sweat of their brows, adopt American customs, and, if the time ever comes, be prepared to give to the Nation life, limb, and property in defense of our common flag and country.

I yield eight minutes to the gentleman from Illinois [Mr. CANNON]. [Applause.]

Mr. CANNON. Mr. Speaker, I have some hesitation in taking the time, as I believe only 20 minutes on a side is allowed. I have talked about the policy of this kind of legislation upon several occasions heretofore in this House, and I believe have voted to sustain the President's veto in all the different messages and shall so vote again to-day. Think of it! Here we are, and how many of us can trace back beyond one generation? Some of us can trace back two generations, some three, some four, and some only one. I am not afraid of any immigration that will come under existing law from any Caucasian country to the United States, as that law stands to-day. We have a good many immigrants in Illinois and in the Middle West, as you have in the East, that came here to better their condition. They talk about the Dagoes. Mr. Speaker, the Dagoes average better labor and better saving, according to their numbers, than an equivalent number of people who have been here for two or three generations. I am not afraid of them. Oh, the man that comes to plunder and the blackhand are refined gentlemen. They can speak, as a rule, several languages. There are several of us in the House who, if the literacy test had been applied when our forebears came here, would not be here in this country to-day. Why should we grow proud? Go down here to Lafayette Square and look at the monuments erected there, to Lafayette, to Rochambeau, to Kosciuszko, to Steuben, and then one in front of the National Theater to Pulaski, who helped us gain our independence. Mr. Speaker, I do not desire to abuse any portion of our citizens, but I can not understand why it is that that portion of our citizenship which comes from the South, with a large colored population, desire to exclude this immigration. The farmers' boys, the tradesmen's boys, the business men's boys in the country are not doing common labor. Nay, nay. They do not go into the mines; they do not go upon the public works; they do not tamp the ties. Much of that work, and the raising of cotton and the work upon the railways down South is done by the African, but let me tell you that with the cessation of immigration during the present war from the other side of the ocean, we are feeling very sadly the loss of people for common labor.

There was much talk—and it was pure campaign talk—about the negroes coming north to vote the Republican ticket, and all that kind of stuff. Those negroes were coming north to labor, because they got a better wage than they got down South. [Applause.] And I am almost afraid to say how many are coming now, because I may not be accurate, but certainly by the tens of thousands they are coming north. You gentlemen of the South will feel it, and, without personally criticizing, I want to say that I would to God that you could have had the German and the Irish and the Belgian and the Italian in the Southland, for if you had you would have made better progress than you have, though you have made great progress as it is. I can not understand why it is that we are so anxious to close the doors, and while I am not a prophet nor the son of a prophet, in the near future if you pass this law it will be repealed, as it ought to be repealed. Oh, you may say that organized labor or those who lead organized labor do not want this immigration to come. I fail to understand why it is that men who have come here and have become naturalized are so ready to shut the door in the face of their relatives and friends. It is not for me to help them, because I have been here a little longer than some of them have.

I can not say much about the matter, Mr. Speaker. I stand here to support the action of the President of the United States in this veto message. He is my President now. You elected him and he is your President, and while he is mine I have never failed by word or vote to sustain him when I believed his official action was right. [Applause.]

The SPEAKER pro tempore. The time of the gentleman from Illinois has expired.

Mr. BURNETT. Mr. Speaker, we will consume our time in one speech.

Mr. SABATH. Mr. Speaker, that being the case, I yield five minutes to the gentleman from Massachusetts [Mr. GALLIVAN].

Mr. GALLIVAN. Mr. Speaker, neither can I understand why my good friends from the South are in favor of this bill, and I regret that the eloquent champion of the President of the United States, the gentleman from Alabama [Mr. HEFLIN], whom I see just entering the Hall, has not taken the floor at this time, when the President of this great Republic is on trial to defend Woodrow Wilson. Do you recall his thrilling words the last time the President of the United States was on trial? Why, this building rocked with his eloquence, and lest you forget, let me repeat it.

Standing on this aisle and appealing to his southern comrades, the gentleman from Alabama said, "Where does the South stand, God bless her, in this hour of divided loyalty? Where stands Tennessee, the home of Gen. Jackson, who conquered the flower of the British Army at New Orleans; what will be the answer of the Old North State, with King's Mountain standing there as an everlasting monument to her patriotism and courage?" What will be her answer to-night when for the first time in the administration of Woodrow Wilson, a successful attempt, I am afraid, will be made to override his veto. And then my good friend went on to say, "What says the Old Dominion, the State of Washington and Madison, who laid the foundations of the Republic? Where stands Kentucky, the home of Beck and Clay, and the birthplace of Lincoln and Davis, the two leaders of the conflict that resulted in cementing the sections in the bonds of an everlasting Union? Where in this critical hour stands the splendid old Commonwealth of South Carolina, the home of Calhoun and Hayne? Where will Mississippi be found, the home of Prentiss, George, Lamar, and JOHN SHARP WILLIAMS? What says Alabama, the home of Admiral Semmes, William Yancey, and John T. Morgan"—and the home of the distinguished champion of Woodrow Wilson on every other occasion. [Laughter.] "On her soil, Mr. Speaker, stood the first capital of the Confederacy, and here she stands to-day in the glorious sisterhood, loyally supporting the President of the United States. Louisiana, Florida, and all the other States in the South join hands with the patriotic Representatives in other sections, standing solidly behind the great President of the United States." Text taken not from the Gospel, but from the inspired words of my good friend from Alabama. [Laughter.]

Now, Mr. Speaker, where stands the President of the United States to-night?

The literacy test is not a test of character, of quality, or personal fitness, but would operate in most cases merely as a penalty for lack of opportunity in the country from which the alien seeking admission came. Our experience in the past has not been that the illiterate is as such, an undesirable immigrant.

That is where the great President of the United States stands, and I would like to see the gentleman from Alabama stand with him. [Applause.]

He seems to forget that only the other day his ancestors and those of his colleagues were aliens. They came from England and France, from Ireland and Scotland, from Germany and Russia, from Italy and Poland, and though that great stream of fresh and revivifying blood has ceased to flow into the South, it still comes to us in the North and helps to renew the energies and the courage of our people. Yes, the immigrant has come by the millions into the North. Wherever he has gone schools have sprung up, industries have flourished, trade has increased, prosperity has bloomed, and patriotism, peace, law, order, intelligence, and happiness follow in his footsteps.

This constant addition of new men and new blood to the Republic is as necessary for the health and refreshment, the expansion and continuance of civilization and all it means to-day as always. Immigration, the advent of new men, new blood, new brains and brawn in our land, is not a question of philanthropy for America; it is a matter of life or death, for the nation that seeks to arrest or stifle the natural laws of life and movement must eventually pay the penalty of lawlessness in stagnation and arrested growth. In my judgment immigration is power and wealth for the land which draws it, and only national perversity and legislative stupidity will deprive us of its blessings.

May I at this time call the attention of the House to a very few of the many messages that have come to me on this question? I have had hundreds of similar letters and telegrams:

New York, January 30, 1917.

Hon. J. A. GALLIVAN,
House of Representatives, Washington, D. C.

DEAR MR. GALLIVAN: I take the liberty of writing you regarding the immigration bill, which has just been vetoed by the President and is again before Congress for action, as I thought you would like to have my views on this important measure.

The bill, because of the literacy test, would have the effect of excluding those whose sole offense is that they have, without fault of their own, been denied the benefit of an education. It is not a test of character and would deprive the United States of valuable economic forces. In my opinion the cause of illiteracy in most cases is lack of opportunity, and I do not think such lack of opportunity should bar those who wish to enter this country. They may later on acquire an education, but even if they did not their illiteracy would not affect their descendants, for they would very likely secure an education, and judging from the past there is a good chance that they would become worthy and loyal citizens. The parents of some of our best citizens were illiterate when they came here, and I think it would be a great mistake if men and women of sound mind and body, who are industrious and law-abiding, are deprived of the right to take up their homes in this country.

I hope you will do what you can to defeat this bill.

Yours, very truly,

ADOLPH LEWISOHN.

BOSTON, MASS., January 31, 1917.

HON. JAMES A. GALLIVAN,
University Club, Washington, D. C.:

Officers and members of Bnai Brith lodges in Boston applaud the action of President Wilson for his vetoing the immigration bill. We hope and pray that you will champion our cause and succeed as in the past in having the veto sustained.

LEON L. SILBERT,
President American Lodge.
JACOB WASSERMAN,
President Massachusetts Lodge.

BOSTON, MASS., January 31, 1917.

HON. JAMES A. GALLIVAN,
University Club, Washington, D. C.:

Associated Young Men's and Young Women's Hebrew Associations of New England, comprising 78 organizations and a membership of over 15,000, in behalf of New England Jewry appeal to you and through you to Congress to vote to uphold President's veto of immigration bill.

ALBERT HURWITZ,
President Young Men's Hebrew Association of New England.
EVA OLIM,
President Young Women's Hebrew Associations of New England.

BOSTON, MASS., January 31, 1917.

HON. J. A. GALLIVAN,
Washington D. C.:

The presidents of the Italian societies representing the Italian colony of Boston entirely protest against the literacy test bill, which not only injures the interests of the best immigrants, but also the vital interests of this great country. Therefore, we feel sure that for the sake of humanity and justice you will vote against said bill.

JOS. PISTORINO,
President, for the Committee, 178 North Street.

BOSTON, MASS., January 31, 1917.

HON. JAMES A. GALLIVAN,
University Club, Washington, D. C.:

Boston Young Men's Hebrew Association, 1,500 members, extend thanks through you to President for courageous veto of immigration bill. Urge your best efforts sustain President's veto. Boston Jews ask Congress support President.

J. L. WISEMAN, President.

BOSTON, MASS., January 31, 1917.

HON. JAMES A. GALLIVAN,
Washington, D. C.:

Elated at President Wilson's veto immigration bill. Hope you will lead the fight, as in the past, for sustaining veto in House.

NEW CENTURY CLUB.
By DAVID A. LOUBIE.

Mr. BURNETT. Mr. Speaker, I yield three minutes to the gentleman from Alabama [Mr. HEFLIN]. [Applause.]

Mr. HEFLIN. Mr. Speaker, the eloquent gentleman from Massachusetts [Mr. GALLIVAN] has read my speech much better than I delivered it here a year ago. At that time I was pleading with gentlemen here to stand by the President in his controversy with a foreign country and to-day I am pleading with the Members of this House to protect the people of the United States from the deadly evil of undesirable immigrants now coming in from foreign countries.

Mr. Speaker, I regret to have to differ with the President on this all-important question, but gentlemen will remember that I voted to pass this same bill over the veto of President Taft and nearly four years ago I voted to pass it over President Wilson's veto, so when I vote to-night to pass this bill over the President's veto, Mr. Speaker, I am consistent with the record that I made on this question before Mr. Wilson became President.

One gentleman has referred to the fact that there are not very many foreigners in my district and that that is the reason that I declare so boldly for restricted immigration. I do not believe that any number of foreigners in my district would keep me from doing what I thought was for the best interest of my country. But, Mr. Speaker, if the presence of any considerable number of foreigners in a congressional district in the United States does intimidate the Representative so that he is afraid to speak his honest convictions on this question, I submit to this House and to the country that it is high time that we declare to all concerned that this country shall not become the dumping ground for the criminal hordes and refuse of other countries. [Ap-

plause.] Let us appeal to the good citizens who have come into our country from other lands to join with us in protecting and preserving American ideals and institutions.

It is fortunate that there are enough districts here like mine still free to speak for America—districts where the people are in favor of safeguarding our institutions and of protecting our country against the unfit and undesirable citizens of other countries.

Some of the Members here seem to be afraid that they will offend the foreign element in their districts if they vote to restrict immigration. I wonder if these gentlemen have ever thought about what might happen to them if the native element should resent their failure to vote for restricted immigration.

But unfortunately there are some situations in this country where some kind of influences seem to operate on some of the Members of this body so as to cause them to vote always against any restriction of immigration. In some places, if enough foreigners locate to erect a banana stand, sell hot tamales, or turn the crank of a street hand organ, straightway the Member from that district becomes a staunch advocate of unrestricted immigration.

Mr. GALLIVAN. Will the gentleman yield?

Mr. HEFLIN. I have but little time.

Mr. GALLIVAN. Is there any stand of that kind up at the White House?

Mr. HEFLIN. Oh, no. On a former occasion, Mr. Speaker, I called attention to the fact that a few years ago the new King of Denmark pardoned 700 criminals, and the people of Denmark, unwilling that they should be turned loose upon their country, purchased tickets for these Denmark criminals and sent them over to the United States. Just a little while ago, Mr. Speaker, the present chairman of the Committee on Immigration, Mr. BURNETT, of Alabama, was in Sicily learning what he could about this immigration question; and he asked the people there, "What has become of the bandits that used to give you so much trouble?" and they answered, "They have all gone to America."

Gentlemen of this House, we owe a duty to that flag hanging there above the Speaker's chair. Thomas Jefferson said more than 100 years ago:

While we are providing for the fortification of our country against a foreign foe, I am in favor of fortifying it against the influx of undesirable immigration.

[Applause.]

The SPEAKER. The time of the gentleman has expired.

Mr. SABATH. I yield one minute to the gentleman from New York [Mr. LONDON].

Mr. LONDON. Mr. Speaker, I just want to register my final protest against this monstrosity, the result of ignorance, of prejudice, of sectionalism, of that narrow selfishness which robs one of his sympathy for his fellow man.

The nationalities, some of whose children will be excluded from the shores of America through this iniquitous measure, have contributed more than their share to the civilization of the world. They are all of the same human stock. Give them the same opportunity which has been extended to the immigrant of the past, whether literate or illiterate, and they will all rise to the dignity of American citizenship and help you build and maintain a free and great Republic forever and evermore. [Applause.]

Mr. SABATH. Mr. Speaker, I yield one minute to the gentleman from Massachusetts [Mr. TREADWAY].

Mr. TREADWAY. Mr. Speaker, I shall vote to sustain the presidential veto, not as a supporter of the President but as a man believing in American institutions and the conditions under which this country has prospered. We have assimilated into our citizenship those who have come to our shores willing to assume its responsibilities and its benefits. It is worthy of recognition that two previous Presidents, in addition to President Wilson—one Democrat and one Republican—have both vetoed this same general bill. No matter what other points may be covered in the bill the literacy test is the one distinctive feature. In view of the history of the country, of the noted men and women who have contributed to its success, who themselves or their parents would have been excluded from coming here had a literacy test been law ought not to be adopted now. Our history is filled with notable examples of the successes which have followed immigration here of illiterates. The State of Massachusetts can offer its share of examples. Just one illustration: A few years ago this subject was up in Republican State convention in Massachusetts. A delegate arose, one of the leading business men of Worcester and at that time its mayor, who said, in effect, "If the literacy test was law I never could have come to this country." This is only one of many possible illustrations. The literacy test is un-

American, undemocratic, unpatriotic. I will gladly support and gladly vote for a moral or physical test of a rigid kind. We want to exclude from our citizenship those not morally or physically fit, but not those who have lacked opportunity to secure the rudiments of education. [Applause.]

Mr. SABATH. Mr. Speaker, the gentleman from Alabama would like to make this House and the people of the country believe that he is a greater American than Jefferson, Cleveland, or our great President, Mr. Wilson. If he were familiar with the people residing in the North, he would not dare to make the statements that he has made to-night.

Mr. HEFLIN. Will the gentleman yield?

Mr. SABATH. No; I have not the time. I wish to say, Mr. Speaker, I yield to no one in my patriotism and my love for our country, and the same applies to 99 per cent of those immigrants for whom we are pleading. Oh, Mr. Speaker, three times before—

Mr. FOCHT. Mr. Speaker, I would like to ask the gentleman a question.

Mr. SABATH. Oh, you know that I have not the time. I am willing to discuss the question with the gentleman, but not now.

The SPEAKER. The gentleman from Illinois declines to yield.

Mr. SABATH. Mr. Speaker, three times before the immigration bill containing the literacy test has been vetoed; three Presidents of this great and glorious country have thus properly expressed their disapproval of this un-American measure. The first time was in 1897, when President Cleveland refused to give his sanction to a bill containing this obnoxious provision. I shall read, for the benefit of the membership of the House, President Cleveland's message returning the bill without his signature:

MARCH 2, 1897.

To the House of Representatives:

I hereby return without approval House bill No. 7864, entitled "An act to amend the immigration laws of the United States."

By the first section of this bill it is proposed to amend section 1 of the act of March 3, 1891, relating to immigration by adding to the classes of aliens thereby excluded from admission to the United States the following:

"All persons physically capable and over 16 years of age who can not read and write the English language or some other language."

A radical departure from our national policy relating to immigrants is here presented. Heretofore we have welcomed all who came to us from other lands except those whose moral or physical condition or history threatened danger to our national welfare and safety. Relying upon the zealous watchfulness of our people to prevent injury to our political and social fabric, we have encouraged those coming from foreign countries to cast their lot with us and join in the development of our vast domain, securing in return a share in the blessings of American citizenship.

A century's stupendous growth, largely due to the assimilation and thrift of millions of sturdy and patriotic adopted citizens, attests the success of this generous and free-handed policy which, while guarding the people's interests, exacts from our immigrants only physical and moral soundness and a willingness and ability to work.

A contemplation of the grand results of this policy can not fail to rouse a sentiment in its defense, for however it might have been regarded as an original proposition and viewed as an experiment, its accomplishments are such that if it is to be uprooted at this late day its disadvantages should be plainly apparent and the substitute adopted should be just and adequate, free from uncertainties, and guarded against difficult or oppressive administration.

It is not claimed, I believe, that the time has come for the further restriction of immigration on the ground that an excess of population overflows our land.

It is said, however, that the quality of recent immigration is undesirable. The time is quite within recent memory when the same thing was said of immigrants who, with their descendants, are now numbered among our best citizens.

A careful examination of this bill has convinced me that for the reasons given and others not specifically stated its provisions are unnecessarily harsh and oppressive, and that its defects in construction would cause vexation and its operation would result in harm to our citizens.

GROVER CLEVELAND.

Mr. Speaker, the second time that a President of the United States refused to indorse this shameful test was when President Taft, upon the recommendation of the Secretary of Labor, Charles Nagel, returned the bill to the Senate with the statement that I will insert:

I return herewith, without my approval, S. 3175.

I do this with great reluctance. The bill contains many valuable amendments to the present immigration law which will insure greater certainty in excluding undesirable immigrants.

The bill received strong support in both Houses and was recommended by an able commission after an extended investigation and carefully drawn conclusions.

But I can not make up my mind to sign a bill which in its chief provision violates a principle that ought, in my opinion, to be upheld in dealing with our immigration. I refer to the literacy test. For the reasons stated in Secretary Nagel's letter to me, I can not approve that test. The Secretary's letter accompanies this.

WM. H. TAFT.

THE WHITE HOUSE,
Washington, February 14, 1913.

DEPARTMENT OF COMMERCE AND LABOR,
Washington, February 12, 1913.

MY DEAR MR. PRESIDENT: On the 4th instant Mr. Hilles, by your direction, sent me Senate bill 3175, "An act to regulate the immigration of aliens to and the residence of aliens in the United States," with the request that I inform you at my earliest convenience if I know of any objection to its approval. I now return the bill with my comments.

In view of the number of hearings and the general discussion that have been had no more than a brief reference to many of the points will be necessary. The following are some of the objections that have been raised:

First. No exception has been made in behalf of Hawaii. You have been assured that it is proposed to meet this objection by joint resolution. Even if this plan should not be carried out, I do not regard the objection as sufficiently serious to affect the merits of the bill.

Second. The provision that persons shall be excluded who can not become eligible under existing law to become citizens of the United States by naturalization is obscure, because it leaves unsettled the question as to who are to be regarded as white persons. But this is merely a perpetuation of the uncertainty which is now to be found in the naturalization law.

Third. The provision that the Secretary may determine in advance upon application whether it is necessary to import skilled labor in any particular instance, that this decision shall be held in abeyance for 30 days, and that in the meantime anyone objecting may appeal to the district courts to try de novo such question of necessity is unsatisfactory. The provision for the appeal to the courts is probably unconstitutional, but even if the entire provision proves ineffective the law will be left substantially where it is, and so this does not constitute a grave objection to the bill.

Fourth. The provision that the Secretary may detail immigrant inspectors and matrons for duty on vessels carrying immigrants or immigrant passengers is objected to by foreign countries, but inasmuch as this is left to the discretion of the Secretary, and it is understood, for illustration, that Italy insists upon such practice with respect to all steamship companies taking immigrants from her shores, it does not seem to me that this is a controlling objection.

Fifth. The provision in section 7 with respect to the soliciting of immigration by steamship companies vests the Secretary with somewhat drastic authority by way of imposing fines and denying the right of a steamship company to land alien immigrant passengers. Again, this is not mandatory, and therefore does not go to the heart of the bill.

It appears to me that all these and similar objections might well have been considered in committee and may become the subject of future consideration by Congress, but, fairly considered, they are of incidental importance only and furnish no sufficient reason for disapproving this bill.

With respect to the literacy test, I feel compelled to state a different conclusion. In my opinion this is a provision of controlling importance, not only because of the immediate effect which it may have upon immigration and the embarrassment and cost it may impose upon the service, but because it involves a principle of far-reaching consequence with respect to which your attitude will be regarded with profound interest.

The provision as it now appears will require careful reading. In some measure the group system is adopted—that is, one qualified immigrant may bring in certain members of his family—but the effect seems to be that a qualified alien may bring in members of his family who may themselves be disqualified, whereas a disqualified member would exclude all dependent members of his family, no matter how well qualified they might otherwise be. In other words, a father who can read a dialect might bring in an entire family of absolutely illiterate people, barring his sons over 16 years of age, whereas a father who can not read a dialect would bring about the exclusion of his entire family, although every one of them can read and write.

Furthermore, the distinction in favor of the female members of the family as against the male members does not seem to me to rest upon sound reason. Sentimentally, of course, it appeals, but industrially considered it does not appear to me that the distinction is sound. Furthermore, there is no provision for the admission of aliens who have been domiciled here and who have simply gone abroad for a visit. The test would absolutely exclude them upon return.

In the administration of this law very considerable embarrassment will be experienced. This, at least, is the judgment of members of the immigration force, upon whose recommendations I rely. Delay will necessarily ensue at all ports, but on the borders of Canada and Mexico that delay will almost necessarily result in great friction and constant complaint. Furthermore, the force will have to be very considerably increased, and the appropriation will probably be in excess of present sums expended by as much as a million dollars. The force of interpreters will have to be largely increased, and, practically speaking, the bureau will have to be in a position to have an interpreter for any kind of language or dialect of the world at any port at any time. Finally, the interpreters will necessarily be foreigners, and with respect to only a very few of the languages or dialects will it be possible for the officials in charge to exercise anything like supervision.

Apart from these considerations, I am of the opinion that this provision can not be defended upon its merits. It was originally urged as a selective test. For some time recommendations in its support upon that ground have been brought to our attention. The matter has been considered from that point of view, and I became completely satisfied that upon that ground the test could not be sustained. The older argument is now abandoned, and in the later conferences, at least, the ground is taken that the provision is to be defended as a practical measure to exclude a large proportion of undesirable immigrants from certain countries. The measure proposes to reach its result by indirection, and is defended purely upon the ground of practical policy, the final purpose being to reduce the quantity of cheap labor in this country. I can not accept this argument. No doubt the law would exclude a considerable percentage of immigration from southern Italy, among the Poles, the Mexicans, and the Greeks. This exclusion would embrace probably in large part undesirable, but also a great many desirable people, and the embarrassment, expense, and distress to those who seek to enter would be out of all proportion to any good that can possibly be promised for this measure.

My observation leads me to the conclusion that, so far as the merits of the individual immigrant are concerned, the test is altogether overestimated. The people who come from the countries named are

frequently illiterate because opportunities have been denied them. The oppression with which these people have to contend in modern times is not religious, but it consists of a denial of the opportunity to acquire reading and writing. Frequently the attempt to learn to read and write the language of the particular people is discouraged by the government, and these immigrants in coming to our shores are really striving to free themselves from the conditions under which they have been compelled to live.

So far as the industrial conditions are concerned, I think the question has been superficially considered. We need labor in this country, and the natives are unwilling to do the work which the aliens come over to do. It is perfectly true that in a few cities and localities there are congested conditions. It is equally true that in very much larger areas we are practically without help. In my judgment, no sufficiently earnest and intelligent effort has been made to bring our wants and our supply together, and so far the same forces that give the chief support to this provision of the new bill have stubbornly resisted any effort looking to an intelligent distribution of new immigration to meet the needs of our vast country. In my judgment, no such drastic measure based upon a ground which is untrue and urged for a reason which we are unwilling to assert should be adopted until we have at least exhausted the possibilities of a rational distribution of these new forces.

Furthermore, there is a misapprehension as to the character of the people who come over here to remain. It is true that in certain localities newly arrived aliens live under deplorable conditions. Just as much may be said of certain localities that have been inhabited for a hundred years by natives of this country. These are not the general conditions, but they are the exceptions. It is true that a very considerable portion of immigrants do not come to remain, but return after they have acquired some means, or because they find themselves unable to cope with the conditions of a new and aggressive country. Those who return for the latter reason relieve us of their own volition of a burden. Those who return after they have acquired some means certainly must be admitted to have left with us a consideration for the advantage which they have enjoyed.

A careful examination of the character of the people who come to stay and of the employment in which a large part of the new immigration is engaged will, in my judgment, dispel the apprehension which many of our people entertain. The census will disclose that with rapid strides the foreign-born citizen is acquiring the farm lands of this country. Even if the foreign-born alone is considered, the percentage of his ownership is assuming a proportion that ought to attract the attention of the native citizens. If the second generation is included it is safe to say that in the Middle West and West a majority of the farms are to-day owned by foreign-born people or they are descendants of the first generation. This does not embrace only the Germans and the Scandinavians, but is true in large measure, for illustration, of the Bohemians and the Poles. It is true in surprising measure of the Italians; not only of the northern Italians, but of the southern.

Again, an examination of the aliens who come to stay is of great significance. During the last fiscal year 838,172 aliens came to our shores, although the net immigration of the year was only a trifle above 400,000. But while we received skilled labor 127,016, and only 35,898 returned, we received servants 116,529, and only 13,449 returned; we received farm laborers 184,154, and only 3,978 returned; it appears that laborers came in the number of 135,726, while 209,279 returned. These figures ought to demonstrate that we get substantially what we most need and what we can not ourselves supply, and that we get rid of what we least need and what seems to furnish, in the minds of many, the chief justification for the bill now under discussion.

The census returns show conclusively that the importance of illiteracy among aliens is overestimated, and that these people are prompt after their arrival to avail of the opportunities which this country affords. While, according to the reports of the Bureau of Immigration, about 25 per cent of the incoming aliens are illiterate, the census shows that among the foreign-born people of such States as New York and Massachusetts, where most of the congestion complained of has taken place, the proportion of illiteracy represents only about 13 per cent.

I am persuaded that this provision of the bill is in principle of very great consequence, and that it is based upon a fallacy in undertaking to apply a test which is not calculated to reach the truth and to find relief from a danger which really does not exist. This provision of the bill is new, and it is radical. It goes to the heart of the measure. It does not permit of compromise, and, much as I regret it, because the other provisions of the measure are in most respects excellent and in no respect really objectionable, I am forced to advise that you do not approve this bill.

Very sincerely, yours,

CHARLES NAGEL,
Secretary.

The PRESIDENT.

Mr. Speaker, the third time that this bill containing this unjustifiable test was returned to Congress, it was our President, Woodrow Wilson, who, on the 28th day of January, 1915, condemned the literacy test in the following words:

TO THE HOUSE OF REPRESENTATIVES:

It is with unaffected regret that I find myself constrained by clear conviction to return this bill (H. R. 6060, "An act to regulate the immigration of aliens to and the residence of aliens in the United States") without my signature. Not only do I feel it to be a very serious matter to exercise the power of veto in any case, because it involves opposing the single judgment of the President to the judgment of a majority of both the Houses of the Congress, a step which no man who realizes his own liability to error can take without great hesitation, but also because this particular bill is in so many important respects admirable, well conceived, and desirable. Its enactment into law would undoubtedly enhance the efficiency and improve the methods of handling the important branch of the public service to which it relates. But candor and a sense of duty with regard to the responsibility so clearly imposed upon me by the Constitution in matters of legislation leave me no choice but to dissent.

In two particulars of vital consequence this bill embodies a radical departure from the traditional and long-established policy of this country, a policy in which our people have conceived the very character of their Government to be expressed, the very mission and spirit of the Nation in respect of its relations to the peoples of the world outside their borders. It seeks to all but close entirely the gates of asylum

which have always been open to those who could find nowhere else the right and opportunity of constitutional agitation for what they conceived to be the natural and inalienable rights of men; and it excludes those to whom the opportunities of elementary education have been denied, without regard to their character, their purposes, or their natural capacity.

Restrictions like these, adopted earlier in our history as a Nation, would very materially have altered the course and cooled the humane ardors of our politics. The right of political asylum has brought to this country many a man of noble character and elevated purpose who was marked as an outlaw in his own less fortunate land, and who has yet become an ornament to our citizenship and to our public councils. The children and the compatriots of these illustrious Americans must stand amazed to see the representatives of their Nation now resolved, in the fullness of our national strength and at the maturity of our great institutions, to risk turning such men back from our shores without test of quality or purpose. It is difficult for me to believe that the full effect of this feature of the bill was realized when it was framed and adopted, and it is impossible for me to assent to it in the form in which it is here cast.

The literacy test and the tests and restrictions which accompany it constitute an even more radical change in the policy of the Nation. Hitherto we have generously kept our doors open to all who were not unfitted by reason of disease or incapacity for self-support or such personal records and antecedents as were likely to make them a menace to our peace and order or to the wholesome and essential relationships of life. In this bill it is proposed to turn away from tests of character and of quality and impose tests which exclude and restrict; for the new tests here embodied are not tests of quality or of character or of personal fitness, but tests of opportunity. Those who come seeking opportunity are not to be admitted unless they have already had one of the chief of the opportunities they seek, the opportunity of education. The object of such provisions is restriction, not selection.

If the people of this country have made up their minds to limit the number of immigrants by arbitrary tests and so reverse the policy of all the generations of Americans that have gone before them, it is their right to do so. I am their servant and have no license to stand in their way. But I do not believe that they have. I respectfully submit that no one can quote their mandate to that effect. Has any political party ever avowed a policy of restriction in this fundamental matter, gone to the country on it, and been commissioned to control its legislation? Does this bill rest upon the conscious and universal assent and desire of the American people? I doubt it. It is because I doubt it that I make bold to dissent from it. I am willing to abide by the verdict, but not until it has been rendered. Let the platforms of parties speak out upon this policy and the people pronounce their wish. The matter is too fundamental to be settled otherwise.

I have no pride of opinion in this question. I am not foolish enough to profess to know the wishes and ideals of America better than the body of her chosen representatives know them. I only want instruction direct from those whose fortunes, with ours and all men's, are involved.

WOODROW WILSON.

THE WHITE HOUSE, 28 January, 1915.

Each time, Mr. Speaker, the House of Representatives refused to override the President's veto, and I hope and trust that before you gentlemen depart from the traditions of long-established policy you will carefully consider your act. In my humble opinion at no time has it been so important and so much in the interests of this country that we should sustain the President in his veto as it is to-day.

On January 29, 1917, President Wilson for the second time returned the immigration bill, containing the literacy test, to the House of Representatives without his approval, and I shall read, for the information of the gentlemen of the House, his message accompanying the bill:

TO THE HOUSE OF REPRESENTATIVES:

I very much regret to return this bill (H. R. 10384, "An act to regulate the immigration of aliens to, and the residence of aliens in, the United States") without my signature. In most of the provisions of the bill I should be very glad to concur, but I can not rid myself of the conviction that the literacy test constitutes a radical change in the policy of the Nation which is not justified in principle. It is not a test of character, of quality, or of personal fitness, but would operate in most cases merely as a penalty for lack of opportunity in the country from which the alien seeking admission came. The opportunity to gain an education is in many cases one of the chief opportunities sought by the immigrant in coming to the United States, and our experience in the past has not been that the illiterate immigrant is as such an undesirable immigrant. Tests of quality and of purpose can not be objected to on principle, but tests of opportunity surely may be.

Moreover, even if this test might be equitably insisted on, one of the exceptions proposed to its application involves a provision which might lead to very delicate and hazardous diplomatic situations. The bill exempts from the operation of the literacy test "all aliens who shall prove to the satisfaction of the proper immigration officer or to the Secretary of Labor that they are seeking admission to the United States to avoid religious persecution in the country of their last permanent residence, whether such persecution be evidenced by overt acts or by laws or governmental regulations that discriminate against the alien or the race to which he belongs because of his religious faith." Such a provision, so applied and administered, would oblige the officer concerned in effect to pass judgment upon the laws and practices of a foreign Government and declare that they did or did not constitute religious persecution. This would, to say the least, be a most invidious function for any administrative officer of this Government to perform, and it is not only possible but probable that very serious questions of international justice and comity would arise between this Government and the Government or Governments thus officially condemned should its exercise be attempted. I dare say that these consequences were not in the minds of the proponents of this provision but the provision separately and in itself renders it unwise for me to give my assent to this legislation in its present form.

WOODROW WILSON.

THE WHITE HOUSE, January 29, 1917.

Mr. Speaker, I can not believe that a country, which from its inception, has stood for liberty and freedom, and which has been recognized as a haven of refuge for the persecuted and oppressed of all the suffering people of the world, will now shut the gates upon them and refuse them the benefits of this great and glorious land.

I can not, Mr. Speaker, and gentlemen, help but believe that a large number of Members, who, I am informed, are about to cast their votes in favor of passing the bill over the President's veto, will do so under a misapprehension. I feel that if they were familiar with the present immigration law, and the rules and regulations of the Department of Labor, and knew how strictly the law was being enforced, they would not cast their votes erroneously, as it appears they are about to do.

For this reason I shall again call the attention of the House to some of the provisions of the present law and try to offset the effect of the misrepresentations that have been made from time to time by certain restrictionists in their mad desire to gain the votes of Members who have not had the time or the opportunity to familiarize themselves with the true facts. The following are some of those who are excluded under section 3 of the present law: Idiots, imbeciles, feeble-minded, epileptics, insane persons, those who have been insane within five years, those who have had two or more attacks of insanity, paupers, beggars, persons afflicted with tuberculosis or with a loathsome or dangerous contagious disease, those who have been convicted or admit having committed a felony or other crime or misdemeanor involving moral turpitude, polygamists, anarchists, persons who believe in or advocate the overthrow by force of established government, immoral men and women or those who come here for immoral purposes, contract laborers, persons whose tickets have been paid for with money of another or those whose passage has been paid by any association, society, municipality, or foreign government, children under 16 years of age not accompanied by one or both of their parents, and, last but not least, all persons likely to become a public charge, and all persons who are found to be mentally or physically defective, such mental or physical defect being of a nature affecting their ability to earn a living.

The last two provisions give the immigration authorities such a wide range of power as will enable them to bar most any man or woman who is not in every way perfect physically as well as mentally.

In addition to this provision the rules and regulations promulgated by the Department of Labor from year to year are such that to-day it is within the power of the department to permit only those to enter whom the department desires to accept. I feel satisfied that even the most rabid restrictionist can not charge the department with not enforcing each and every provision of the act, as well as the rules and regulations tending toward restriction.

For the past two years immigration has been nearly at a standstill. Immigration from the southern section of Europe has been practically nil. Notwithstanding this fact the department has barred or deported a larger percentage of immigrants than ever before in the history of the Nation.

In 1915 out of 326,700 arriving immigrants 24,111 were barred.

In 1916 out of 298,000 arriving immigrants 18,867 were barred.

This is not taking into consideration the 2,564 persons deported in 1915, nor the 2,781 persons deported in 1916.

The above proves that we not only have a very stringent law but that it is vigorously enforced.

I realize that there are some Members who do not desire to be enlightened or to become familiar with the actual facts—who are blinded by prejudice to such an extent that they can not see nor hear. To them I am not appealing, nor do I care to try to convince them that a great mistake would be committed if this bill should pass in its present form. These are the gentlemen who do not care to know that in the year 1915 the difference between immigration and emigration was only 50,070, and in the year 1916 only 25,941.

Nor will I try to show them that the majority of those who came in 1915 and 1916 were of English, French, German, Scotch, Scandinavian, and Spanish blood. They are not anxious to know that the majority of those barred as well as those deported belong to the so-called favored nationalities.

In fact, nothing that I or anyone else can say would wipe out the prejudice, which has been instilled in them, against the immigrant—the immigrant who has helped to develop our country, who at all times has demonstrated his worth, his faithfulness, and loyalty to our country and its flag; immigrants who have helped to make this the greatest agricultural as well

as industrial Nation of the world, immigrants who have helped to open the markets of the world to our products and have helped to make the country greater and more prosperous than any other.

In view of the fact that the restrictionists were not able to maintain the position which they originally assumed, they hit upon a scheme which they thought would be popular and appeal to the people. They started to advocate the so-called literacy test, preaching and heralding the slogan that we do not want the ignorant, illiterate foreigner.

If they would be honest and sincere, they would have to admit that illiteracy is not ignorance, and that the literacy test will not keep out the so-called dangerous and troublesome immigrant, as I have frequently pointed out on the floor of the House.

Mr. Speaker, a few years ago Mr. L. S. Amanson wrote a short poem which expresses the case of the immigrant with eloquence and exactness. I shall read that poem with a few slight variations:

A MESSAGE TO CONGRESS FROM THE MEN AT THE GATE.

We've dug your million ditches;
We've built your endless roads;
We've fetched your wood and water,
And bent beneath the loads.
We've done the lowly labor
Despised by your own breed;
And now you won't admit us
Because we can not read.

Oh, statesmen, high in Congress,
From North, South, East, and West,
You render valued service,
As pen and tongue you test.
The sons are like the fathers,
Hard work is not their creed;
They won't swing picks and shovels,
But then—they all can read.

We've given honest labor
And liked our humble lot;
Our children learn the letters
Their fathers haven't got.
We've fled from persecution
And served you in your need;
But now you would debar us
Because we can not read.

Most crooks are educated
And to the manner born;
Their white hands show no callous;
They look on us with scorn.
Mere learning is not virtue,
The word is not the deed;
Disdain, then, not your toilers
Because they can not read.

Good friends, if we are brothers,
Why do you raise this test?
Will talk, then, till your acres
And feed your people best?
Rich children, trained as idlers,
Some workers you must need;
Don't bar our only refuge
Because we can not read.

Your farms are half deserted—
Up goes the price of bread!
Your boasted education
Turns men to duds instead.
We bring our picks and shovels
To meet your greatest need;
Don't shut the gates upon us
Because we can not read.

Mr. Speaker, I will now read an editorial from the Washington Post of January 25, 1917, in which the following comment is made on the literacy test:

The literacy test, which Congress recently approved, probably is the most foolish and un-American test that could be devised. Many immigrants who can neither read nor write make excellent American citizens. Many of them come here for the particular object of educating themselves and their children. Having no anarchistic teachings to unlearn, they are good material for citizenship.

Many of the immigrants who can read and write, on the other hand, make poor citizens. The theories they have already formed may be wholly in conflict with the spirit of American institutions. They may be unwilling to do any work that is required of them.

In a statement issued by Cardinal Gibbons on January 25, four days before the President vetoed the bill which we are now considering, the following opinion was expressed:

It is disappointing to many thoughtful citizens that the immigration bill has passed both Houses of Congress. By this measure illiterates will in the future be excluded from entrance into this country. It is to be hoped that Mr. Wilson will act with the same good judgment as he has done on a former like occasion and veto the bill. Similar bills have been vetoed by preceding Presidents, who have been cognizant of the harmful effects this test of literacy would have upon desirable immigration.

Illiteracy should not be confounded with ignorance. There is an old axiom which reads that "intellectual attainments are not the test of virtue." Many of the most dangerous members of the community are men of keen and trained intellect but of depraved morals. The normal sturdy illiterate has a receptive mind, capable of early development. Had the United States refused such illiterates from the beginning of our Government, our country would have lost the benefit of their virtue.

thrift, industry, and enterprising spirit. And the descendants of such forbears are an honor to their fathers and a credit and an asset to our country, for they have been rapidly incorporated and identified with the native population by the assimilating process of education and the common use of the English tongue. In consequence of this it would be hard to differentiate the children of foreign immigrants from those of native American parents.

Mr. Speaker, it has been said that at the close of the present European conflict there will be a great influx of immigrants into the United States. On the contrary, thousands upon thousands of American citizens and aliens, as soon as the war is over, will depart for the fatherland and for the Old World to take the places of their older brothers and fathers who have been killed in this terrible war.

Some try to make us believe that immigration, after the war is over, will increase, but these statements can not be substantiated.

Europe will need every healthy citizen to help to rebuild its industries, and those who are not of sound mind and body can not enter the United States under the present immigration law.

Those who could come here under the present law the foreign Governments will not permit to come, as they will be needed at home.

Mr. Speaker, I will not detain the House any longer, but I a strange land.

For this reason it is only the individual who is brave enough and determined enough to better his condition in life who has the moral courage to take such a step. It is this character of man that first settled upon our shores, and it is this character of man, coming to our shores in constantly increasing number, who want to say that it is not easy to break home ties; it is not easy to leave one's native land, no matter what the conditions are under which the people of a particular country may be living. It is not easy to abandon home and friends and depart for a new country, who has made possible the tremendous growth of our country. [Applause.]

The SPEAKER. The time of the gentleman from Illinois has expired.

Mr. BURNETT. Mr. Speaker, the old, old argument that has been made by gentlemen opposed to this bill every time a veto has been considered is, "You must stand by the President," whether that veto stands for the people or not.

I am not going to criticize the President. I believe that he is a great President and a great man. But the appeal that gentlemen have made ought not to swerve men who on their oaths are responsible to the people that sent them here. The President himself, in his veto message two years ago, referring to the illiteracy test, said:

Has any political party ever avowed a policy of restriction in this fundamental manner, gone to the country on it, and been commissioned to control its legislation?

Mr. Speaker, that message as well as this message shows that the President has not had the opportunity to give the subject the careful and thorough investigation that the Representatives of the people, who are responsible to the people, have done. Before that time both the Republican Party and the Democratic Party had made platform declarations on the subject. The Republican Party in its platform of 1896 had declared specifically for the test and went to the people and was commissioned by them to control legislation. The Democratic Party as far back as 1896 declared in its national platform in favor of the exclusion of all pauper labor.

The President refers in his message of last Monday to the lack of educational opportunity of illiterate aliens.

Mr. Speaker, in these days lack of opportunity among the most illiterate people who come here does not exist. They come principally from southern Italy; and of the north Italians not more than 5 per cent are illiterate, and yet they, the north and south Italians, live under the same king, the same parliament, the same compulsory education laws; and while the north Italian does embrace the opportunity he has had, the south Italian does not. We get literates from south Italy, which shows that men can make their own opportunity if they want to, in so far as an elementary education is concerned.

Mr. Speaker, the President also gives another reason for the veto. He gives as his second reason, which reason I see my distinguished friend, the gentleman from Illinois [Mr. SABATH], has not discussed, that the exemption from the test of persons fleeing solely to escape religious persecution imposes an invidious function on our immigration officials. He says he disapproves the provision that was put in at the instance of the gentleman from Illinois [Mr. SABATH] himself, and now the gentleman's support of the veto of the President puts him in the attitude of voting to disown his own child. In the goodness of their hearts the members of our committee and of this Congress have

said that those who are fleeing from religious persecution should be admitted, whether that persecution was manifested by law, by overt acts, or by governmental regulations.

The President gives as his reason that that provision allows an administrative officer to pass upon the laws and regulations of other countries. As has been said in this debate by the gentleman from Massachusetts [Mr. GARDNER], we have had a law for many years which provides that persons who have been convicted of, or who admit the commission of, a felony or other crime or misdemeanor involving moral turpitude are to be excluded, and in the same section it says:

Nothing in this act shall exclude, if otherwise admissible, persons convicted of an offense purely political, not involving moral turpitude.

That provision involves the same kind of function as the one the President gives as his second reason for vetoing the bill. Yet, no such trouble as the President fears has ever arisen from such function.

We should not lose sight of the fact that the bill contains much other needed legislation which the President says he favors, and in this connection I wish to read the following article from the editorial page of the New York Times of last Monday. It was written by Prof. Robert De C. Ward, of Harvard University. Prof. Ward says:

In your editorial article in the Times for January 20 entitled "The labor exclusion bill," you say: "The new bill is against the entry of desirables. It is not in the interest of public morality or public health." May I take the liberty of differing with you most emphatically in this view? I hold no brief at this time for the reading test. It seems to me, however, that most of those who attack this provision have not read the immigration bill at all and do not realize that this bill covers about sixty pages, of which perhaps one or two pages concern this much-discussed reading test. With the many exceptions which are made in its application, this provision seems to me a rather unimportant part of the bill as a whole. It certainly is not worth all the fuss that is being made over it. It is in regard to the rest of the bill—the 58 or 59 pages of it not concerned with the reading test—that I wish here to speak. The new bill, in my judgment, is distinctly not "against the entry of desirables," and as certainly is "in the interest of public morality and public health."

The bill is the result of years of careful study of our present law and of its workings. Its provisions, as the Commissioner General of Immigration says in his annual report (June 30, 1915), "contain the result of experience and investigation—of the experience of administrative officers, extending over nearly a quarter of a century, in the enforcement of various statutes regulating immigration, and of the investigations conducted variously but in particular by the immigration commission, created under the act of 1907, the report of which, comprising 42 volumes, was submitted to Congress in December, 1910." The provisions of this bill "have been drawn with great care and thoughtfulness, . . . by them the law is made certain in its definitions and clear in its terms throughout—improvements badly needed in the existing statute." The bill aims to protect the United States against the incoming of mentally and physically and of otherwise unfit and undesirable aliens. It also embodies several provisions which would insure more humane treatment to the aliens themselves and would to a large extent do away with the hardships involved in the deportation of aliens who are excluded at our ports by preventing their original embarkation.

To the excluded classes the bill adds persons of constitutional psychopathic inferiority and persons with chronic alcoholism. That many persons not properly certified as insane but who would, in many cases, become insane soon after arrival, could be kept out under the former provision has long been the opinion of the physicians, the alienists, and the immigration officials who have made a special study of this subject, and who have for years strongly urged the inclusion of this new provision in our immigration law. Chronic alcoholics, who are surely undesirable members of our community, are often discovered by our examining surgeons, but as the law does not now state specifically that they shall be excluded they must in most cases be allowed to land. The new bill excludes vagrants, and persons afflicted with tuberculosis in any form. It also aims to prevent the embarkation of aliens afflicted with idiocy, insanity, imbecility, feeble-mindedness, epilepsy, constitutional psychopathic inferiority, chronic alcoholism, tuberculosis in any form, or a loathsome or dangerous contagious disease, by imposing upon steamship companies who bring such aliens a fine of \$200 plus the amount paid by the excluded alien from his initial point of departure, provided the Secretary of Labor is satisfied that the defects could have been detected by a competent medical examination before embarkation. This is an excellent and humane provision, and would go far toward making these companies more careful in the sale of passage tickets, and would save many unfortunate aliens the disappointment and hardship of being deported after arrival at our ports. The present fine of \$100, has been shown to be too small to be really effective, and does not cover as many cases as are above enumerated. A new fine of \$25, plus the alien's transportation expenses, is established in cases of certain other less serious mental defects, and of physical defects which may affect an alien's ability to earn his living.

The new bill provides for a very much more thorough medical examination of arriving aliens, especially with reference to the detection of mental diseases; gives the medical inspectors the services of interpreters and suitable facilities for the detention and examination of the aliens. This amendment has been strongly urged by the united action of the most important scientific bodies in the United States which deal with the prevention and treatment of mental disease, by State medical associations, and by individual physicians all over the country. That our medical inspection has been hopelessly inadequate has long been known to the experts. We have not had enough medical inspectors, and those on duty have not had adequate facilities for their work. Thus it has come about that, in spite of our law prohibiting the admission of insane and mentally defective aliens, our institutions have been filling up with just these people.

The new bill extends from three to five years the period during which aliens may be deported who at the time of entry belonged to one or more of the excluded classes, who have become public charges from causes existing prior to landing, and of some other groups. This ex-

tension of the deportation period has been urged, year in and year out, by heads of institutions who have had to do with dependent, defective, and delinquent aliens, by organized charitable societies, and, perhaps most strongly, by the former Commissioner of Immigration at the port of New York, the Hon. William Williams, whose thorough, sane, and illuminating study of the whole immigration problem has contributed greatly to our understanding of the subject. It is the conviction of all the unprejudiced experts who have studied this problem that a five-year deportation period would relieve our penal and charitable institutions of an enormous financial burden, reaching into the millions of dollars, and would rid our communities of large numbers of defectives who otherwise would remain here, many of them a burden upon State or city, and many of them starting long lines of defective and delinquent children.

The new bill strengthens the provisions of existing law regarding the "white-slave" traffic; makes the inspection of steerage quarters more thorough; compels steamship companies, when deporting aliens, to give such aliens as good quarters as those for which they paid on the voyage to this country; makes possible the expulsion from the country of alien anarchists and criminals, even when they have become such after entry; and in many other ways provides for the welfare of the alien as well as for the welfare of the United States.

Gentlemen have talked here about the South wanting this legislation, as if the South alone wanted it. Mr. Speaker, the pressure for this bill comes more strongly from the workingmen of the North, where they feel the effect of pauper competition. Three millions of the American Federation of Labor, 1,000,000 farmers in the National Grange—I have their resolution here—a million or two of farmers in the Farmers' Congress, thousands of members of patriotic organizations, and others. They are begging Members to-day to stand by their people, to stand by their convictions. There is no sectionalism in this bill. The President is just one branch of this Government. Three hundred and seven, against eighty-seven, Members of this House said last March that the people of the country wanted this legislation. Are we now, by appeals to stand by the President—and that is all they have—to be diverted from what our people want and what is right in order that 307 may bow to the will of one man?

Mr. Speaker, I want, as briefly as possible, to give an analysis of the most important new legislation in this bill, as I am sure that it will soon become a law. The head tax is increased from \$4 to \$8 for admission of aliens. However, we exempt from this tax children under 16 years of age who accompany their father or mother.

The present law exacts this tax of all aliens, including even babes in the arms of the mother. The exception referred to in favor of children under 16 years of age will prevent this tax bringing in quite double the revenue now derived from that source, but the fact that in the new law it is exacted of alien seamen and some others now exempted will bring it up to almost double what we now receive.

In section 3 we add to the excluded classes many who are either mentally or physically afflicted not now excluded; also persons who advocate or teach the unlawful destruction of property. This will keep out the militant suffragettes of England and other persons advocating like principles. While I am not an advocate of woman's suffrage, yet be it said to the credit of nearly all the good women of America who favor equal suffrage that they are trying to get that legislation by sane and peaceful methods. Even those who are trying to exploit themselves by picketing the White House grounds get no sympathy from the great majority of the women who are from principle advocating woman's suffrage, and the three members of the Immigration Committee from equal-suffrage States were among the strongest advocates of this provision of the bill.

The law excluding contract laborers and those in any way assisted, induced, or solicited to come to this country, and against those who induce, assist, or solicit them to come has been greatly strengthened.

Asiatics excluded by the geographical boundary in section 3 of the bill embrace Hindus and several hundred millions of other people on the continent of Asia and islands adjacent thereto. These people are beginning to come to the Pacific coast in large numbers, and but for this exclusion law would soon become a serious menace to our country.

The Chinese-exclusion law is not interfered with except to be greatly strengthened, and we now have a gentleman's agreement with Japan by which passports are refused the coolies of that Empire, who are thus kept out. A provision is placed in this law by which no alien can be admitted who is now in any way excluded from or prevented from entering the United States. Should Japan at any time violate or abrogate this agreement, so instant this provision would keep them out.

The storm center of this bill is and has ever been the illiteracy test. This excludes all aliens over 16 years of age who are unable to read at least 30 ordinary words of English or some other language or dialect, including Hebrew or Yiddish. However, any admissible alien, or any alien heretofore admitted is permitted to send for or bring in his father or grandfather

over 65 years of age, his wife, mother, grandmother, or his unmarried or widowed daughter without regard to the illiteracy test, if they are otherwise admissible.

These exceptions are made so as not to keep out dependent relatives on account of their being unable to read.

In order that our country may continue, as it has always been, the haven for those oppressed on account of religious belief, we except from the reading test all aliens seeking admission to avoid religious persecution, whether such persecution is evidenced by overt acts or by laws or governmental regulations that discriminate against the alien or the race to which he belongs because of his religious faith. This exception will effect not only many Russian Jews, but many Protestants and Catholics from Armenia and other countries. The literacy-test provision has for many years been the subject of earnest and sometimes bitter controversy.

In 1897 a somewhat similar provision was vetoed by President Cleveland. The House promptly passed it over his veto by a large margin, but, as it only reached the Senate for action on the veto on the 4th of March in the closing hours of that Congress and of Mr. Cleveland's administration, it was not acted on by that body. There was some excuse for the veto of President Cleveland, for at that time the tremendous alien immigration from southern Europe to this country had not set in. During the year 1897 the total foreign immigration to this country was only 230,832, while for the year ending June 30, 1914, it was 1,218,480.

The south Italians alone coming in during the last fiscal year before the war in Europe were 251,612, or 20,000 more than came in from all countries during the year of President Cleveland's veto. So it will be seen that no such necessity for the law existed then as now.

Of course, with the war raging in Europe, the number of arrivals has greatly decreased, but when the war is over hundreds of thousands of the denizens of the slums of European and of Asiatic cities will rush to our shores unless they are kept out by this law.

In 1913 President Taft vetoed the bill and the Senate passed it over his veto by a vote of 4 to 1, but it failed of passage over his veto in the House by only a few votes.

In 1915 President Wilson vetoed the bill and it failed of passage over the veto by only eight votes.

Last March the bill passed this House by a vote of 307 to 87, and a few weeks ago it passed the Senate by 64 to 7.

Unless many Representatives and Senators go back on this recent vote, it will now be passed over the President's veto in both Houses by a large majority.

Twelve years ago, at my own request, I was assigned to the Committee on Immigration and began the study of this important question. During that session the Senate passed a bill containing the illiteracy test, but that provision was stricken out by the House, and in conference an agreement was reached providing for a commission to investigate the subject of immigration both in the United States and foreign countries and to report its conclusions to Congress.

I was appointed as a member of that commission, and with five others visited Europe, where we made extensive investigations. Several of us went to Sicily, and to me the conditions there seemed worse than I had ever dreamed of.

We visited many other countries in Europe and made extensive investigations both in that country and our own.

When we began our investigations only three or four of us believed that the reading test was the best plan for restricting immigration, but after three years of earnest, careful investigation all the nine joined in the following statements and recommendations:

The investigations of the commission show an oversupply of unskilled labor in basic industries to an extent which indicates an oversupply of unskilled labor in the industries of the country as a whole, and therefore demand legislation which will at the present time restrict the further admission of such unskilled labor.

As far as possible the aliens excluded should be those who, by reason of their personal qualities, would least readily be assimilated or would make the least desirable citizens.

The commission as a whole recommends restriction as demanded by economic, moral, and social considerations, furnishes in its report reasons for such restrictions, and points out methods by which Congress can attain the desired result if its judgment coincides with that of the commission.

Eight out of the nine, after citing various methods of restriction, concurred in the following:

A majority of the commission favor the reading and writing test as the most feasible single method of restricting undesirable immigration.

It is certainly interesting, and we believe important, to know some of the reasons which led the commission up to these conclusions, and we will make a few extracts from the "Brief state-

ment of conclusions and recommendations of the commission." On page 25 of this statement they say:

The proportion of the more serious crimes of homicide, blackmail, and robbery, as well as the least serious offenses, is greater among the foreign born. The disproportion in this regard is due principally to the prevalence of homicides and other crimes of personal violence among Italians and to the violation of city ordinances previously mentioned.

On pages 29 and 30 they say:

It is certain that southern and eastern European immigrants have almost completely monopolized unskilled labor activities in many of the more important industries. This phase of the industrial situation was made the most important and exhaustive feature of the commission's investigation, and the results show that while the competition of these immigrants has had little, if any, effect on the highly skilled trades, nevertheless, through lack of industrial progress and by reason of large and constant reinforcement from abroad, it has kept conditions in the semiskilled and unskilled occupations from advancing.

Several elements peculiar to the new immigrants contributed to this result. They came from countries where low economic conditions prevailed and where conditions of labor were bad. They were content to accept wages and conditions which the native American and immigrants of the older class had come to regard as unsatisfactory. They were not, as a rule, engaged at lower wages than had been paid to the older workmen for the same class of labor, but their presence in constantly increasing numbers prevented progress among the older wage-earning class, and as a result that class of employees was gradually replaced. An instance of this displacement is shown in the experience in the bituminous coal mines of western Pennsylvania. This section of the bituminous field was the one first entered by the new immigrants, and the displacement of the old workers was soon under way. Some of them entered other occupations and many of them migrated to the coal fields of the Middle West. Later these fields were also invaded by the new immigrants, and large numbers of the old workers again migrated to the mines of the Southwest, where they still predominate. The effect of the new immigration is clearly shown in the western Pennsylvania fields, where the average wage of the bituminous coal worker is 42 cents a day below the average wage in the Middle West and Southwest. Incidentally, hours of labor are longer and general working conditions poorer in the Pennsylvania mines than elsewhere.

The recent report of the Committee on Industrial Relations on their investigations at Youngstown, Ohio, shows that conditions there are even more horrible than those which our commission found in Pennsylvania. I will read only the following short extract from that report:

Babies of the workers die at an appalling rate. Forty-one per cent of all deaths in Youngstown during 1913, according to United States census figures, were of children under 5 years of age.

The average head of a family among foreign-born steel workers, who constitute over 70 per cent of the entire force, earns less than \$500 a year.

The workers and their families live in squalid, overcrowded houses. A trachoma epidemic at East Youngstown grew so menacing that the Youngstown Sheet & Tube Co., whose armed guards on January 7 killed 3 strikers and wounded 25, had to take drastic measures to save the human part of its equipment.

Sanitary conditions in Youngstown in the districts where the steel workers live are frightful. The administration of the health laws is lax, and open garbage boxes and dry privies abound.

For years, until the present demand for unskilled labor gave them a choice of jobs, the steel workers have been forced to accept whatever the Steel Corporation and its followers cared to give them or to starve. This condition of helplessness and economic slavery was forced on them by a policy that kept, with the aid of charity, two men for every job and that ruthlessly crushed any attempt of the employees to organize.

The Youngstown strike was a sign to the owners and managers of the American steel industry that the end will come; that they can not forever adhere to their present policy of depressing wages below a decent standard by maintaining a vast horde of helpless immigrants in a condition of economic subservience, throwing them on charity during times of depression, paying less than a living wage during times of prosperity, and during all times brutalizing them either by imposing excessive hours of employment or by imposing the enforced leisure that breeds fear and pauperization.

Even around Birmingham and Gadsden, Ala., the honest American laborer is being forced into competition with that low class of illiterate immigrants from southern Europe who are brought here to beat down the price of the workingman's sweat and toll and thus take the bread from the mouths of his wife and children. A few years ago I asked a large mine operator in Alabama who were his poorest laborers. He replied: "The south Italians." I asked if they were poorer than the Negro. He said: "Infinitely poorer." I asked: "Why, then, do you employ them?" He answered: "To keep down the price of wages."

Gentlemen, that is true, and that is why the big industries all over the country have spent thousands of dollars during the last 10 years to delay this bill. It has teeth in it and they know it.

My Republican brother and I may differ honestly as to whether a protective tariff is best for the workingman, but I can not see how any friend of the man who toils can want to keep out the foreign goods that compete with those he makes here and yet want to open the floodgates to those who beat down his wages and erect standards of living repulsive to any man who loves his home and those whom God has given him to protect and support.

The distinguished gentleman from Illinois [Mr. CANNON] says the bill does not keep out the blackhand assassin, because he can read and write. The illiteracy test, it is true, does not keep out that class, but as is shown by Mr. Ward in the article just

quoted, there are other sections of the bill that do debar him. But the illiteracy test keeps out the illiterate and vicious alien who is the easy tool in the hands of his blackhand leader.

In the I. W. W. strike at Lawrence, Mass., a few years ago the educated blackhand led the long procession and stirred them to frenzy and to crime, but behind him was the horde of illiterates with a bomb in one hand and a banner in the other on which was inscribed "No God, no law, no master." But you ask, Whom will it keep out? It will keep out 40 per cent of the south Italians, the Portuguese, the Turks, and the Syrians; about 30 per cent of the Greeks, the Poles, the Magyars, and other races in southern Europe, and about 80 per cent of the Mexicans.

It will not keep out one-half of 1 per cent of the English, Irish, Scotch, Germans, Bohemians, Swiss, French, Scandinavians and the other peoples of northwestern Europe. That is, it will not keep out five in a thousand of those who come to become American citizens and to make their homes among us.

For instance, during the fiscal year ending June 30, 1914, 33,898 Irish came in, and of these only 359 over 14 years of age could not read and write, and nearly all of these were of the classes exempted from the illiteracy test. As to the Jews, very few adult males are unable to read their Yiddish or Hebrew prayer book, and most of the Jews who can not read Yiddish or Hebrew are wives, mothers, or daughters, who are excepted, and nearly all are fleeing from religious persecution.

So you will see that neither the Jews nor the northwestern Europeans are excluded scarcely at all. I have gone pretty fully into the purpose and effect of the illiteracy test because of the fact that it has been grossly misunderstood and misrepresented. A few years ago as learned a man as Cardinal Gibbons wrote a letter, which was printed in the papers of the country, stating that an alien fairly well educated in his own language would be debarred under this bill if he could not read English. This showed that his Eminence had never even read the bill.

Many others have heralded such statements abroad and aroused the antagonism of thousands of foreigners, the people of whose countries are in no wise affected by the bill.

Mr. Speaker, in passing this bill over the veto of the President, we are responding to the demand of millions of people who are working on the farms, in the factories, in the stores, and thousands of others who do not want to see American civilization undermined, and who do not want to see American standards of moral and economic life subverted. In the South the Farmers' Union with two millions of members has repeatedly indorsed it.

Is this not the propitious time to put up the bars? Your votes to-day will show which side you are on. If the steamship companies and the great industries are your masters, serve them. If you owe your allegiance to America and your people, say so this day.

The SPEAKER. The question is, Will the House on reconsideration agree to pass this bill H. R. 10384, the objections of the President of the United States to the contrary notwithstanding? The Clerk will call the roll.

Mr. SABATH. Mr. Speaker, in view of the fact that only a very few Members were present when the message was read I again ask unanimous consent that the President's message be again read.

SEVERAL MEMBERS. No, no!

The SPEAKER. The gentleman from Illinois asks unanimous consent—

Mr. DYER. I call for the regular order.

The SPEAKER. This is the regular order, to submit the gentleman's request. The gentleman from Illinois [Mr. SABATH] asks unanimous consent that the President's message be again read. Is there objection?

Mr. MEEKER. I object.

Mr. REAVIS. I object.

The SPEAKER. Objection is made. Those in favor of passing this bill over the President's veto will, when their names are called, answer "yea," those opposed will answer "nay," and the Clerk will call the roll.

The question was taken; and there were—yeas 287, nays 106, answered "present" 3, not voting 37.

YEAS—287.

Abercrombie	Austin	Buchanan, Ill.	Carter, Okla.
Adair	Barkley	Burnett	Church
Adamson	Beales	Butler	Cline
Aiken	Bell	Byrnes, S. C.	Coleman
Alexander	Benedict	Byrns, Tenn.	Collier
Allen	Black	Callaway	Connelly
Almon	Blackmon	Candler, Miss.	Cooper, Ohio
Anderson	Bowers	Cantrill	Cooper, W. Va.
Anthony	Britt	Capstick	Cooper, Wis.
Ashbrook	Browne	Caraway	Copley
Aswell	Browning	Carlin	Costello

Cox	Hastings	McKellar	Sears
Crago	Haugen	McKenzie	Sells
Crisp	Hawley	McKinley	Shackleford
Curry	Hayden	McLaughlin	Shallenberger
Dale, Vt.	Hayes	McMure	Sims
Danforth	Heaton	Mann	Sinnott
Darrow	Hefflin	Mapes	Sisson
Davis, Minn.	Helgesen	Matthews	Slayden
Davis, Tex.	Helm	Meeker	Slomp
Decker	Helvering	Miller, Minn.	Sloan
Dempsey	Hensley	Miller, Pa.	Small
Denison	Hernandez	Mondell	Smith, Idaho
Dewalt	Hicks	Morgan, La.	Smith, Mich.
Dickinson	Hilliard	Morgan, Okla.	Smith, Minn.
Dies	Holland	Morrison	Smith, Tex.
Dill	Hood	Moss	Snyder
Dillon	Hopwood	Mott	Sparkman
Dixon	Houston	Mudd	Steagall
Doolittle	Howard	Murray	Stedman
Doughton	Huddleston	Neely	Steele, Iowa
Dowell	Hughes	Nelson	Steele, Pa.
Drukker	Hull, Iowa	Nicholls, S. C.	Steenerson
Dunn	Hull, Tenn.	Nolan	Stephens, Miss.
Dyer	Humphreys, Miss.	North	Stephens, Nebr.
Eagle	Husted	Oldfield	Stephens, Tex.
Edwards	Hutchinson	Oliver	Sterling
Ellsworth	Jacoway	Olney	Stout
Elston	Johnson, Ky.	Overmyer	Sulloway
Emerson	Johnson, Wash.	Padgett	Summers
Esch	Jones	Page, N. C.	Sweet
Evans	Kearns	Park	Switzer
Farr	Keating	Parker, N. J.	Talbot
Fertis	Keister	Parker, N. Y.	Tavener
Fess	Kelley	Peters	Taylor, Ark.
Fields	Kennedy, Iowa	Porter	Taylor, Colo.
Flood	Kent	Powers	Temple
Focht	Kettner	Pratt	Thomas
Foss	Key, Ohio	Price	Thompson
Fuller	Kless, Pa.	Quin	Tillman
Gandy	Kinchloe	Ragsdale	Timberlake
Gard	King	Rainey	Van Dyke
Gardner	Kinkaid	Raker	Venable
Garland	Kitchin	Ramseyer	Vinson
Garner	Kreider	Randall	Volstead
Gillett	Lafean	Rayburn	Walker
Godwin, N. C.	La Follette	Reavis	Wason
Good	Langley	Ricketts	Watkins
Goodwin, Ark.	Lazaro	Roberts, Nev.	Watson, Pa.
Gray, Ala.	Lee	Rodenberg	Watson, Va.
Gray, N. J.	Lehibach	Rogers	Webb
Green, Iowa	Leshner	Rouse	Wheeler
Greene, Vt.	Lewis	Rowland	Williams, T. S.
Gregg	Lindbergh	Rubey	Wilson, Fla.
Griest	Linthicum	Rucker, Ga.	Wilson, Ill.
Guernsey	Littlepage	Rucker, Mo.	Wilson, La.
Hadley	Lloyd	Russell, Mo.	Wingo
Hamilton, Mich.	Longworth	Russell, Ohio	Wise
Hamilton, N. Y.	McArthur	Saunders	Woodyard
Hamlin	McClintic	Schall	Young, N. Dak.
Harrison, Miss.	McCulloch	Scott, Mich.	Young, Tex.
Harrison, Va.	McFadden	Scott, Pa.	

NAYS—106.

Bacharach	Doremus	Konop	Roberts, Mass.
Bailey	Dupré	Lieb	Rowe
Barchfeld	Eagan	Lobeck	Sabath
Barnhart	Edmonds	London	Sanford
Boeber	Estopinal	Loud	Sherley
Borland	Farley	McAndrews	Sherwood
Britten	Fitzgerald	McCracken	Siegel
Bruckner	Flynn	McDermott	Smith, N. Y.
Brumbaugh	Fordney	McGillicuddy	Snell
Buchanan, Tex.	Freeman	Madden	Stafford
Burgess	Gallagher	Magee	Stiness
Burke	Gallivan	Maier	Stone
Caldwell	Glynn	Martin	Swift
Cannon	Gordon	Mays	Taggart
Carew	Gould	Moore, Pa.	Tague
Carter, Mass.	Graham	Moore, Ind.	Tilson
Casey	Greene, Mass.	Morin	Tinkham
Chandler, N. Y.	Griffin	Nichols, Mich.	Towner
Charles	Hamill	Norton	Treadway
Coady	Hardy	Onkey	Vare
Conry	Haskell	Oglesby	Walsh
Cramton	Howell	O'Shaunessy	Williams, W. E.
Crosser	Hulbert	Paige, Mass.	Winslow
Cullop	Igoe	Phelan	Wood, Ind.
Dale, N. Y.	James	Rauch	Woods, Iowa
Dallinger	Kahn	Reilly	
Doelling	Kennedy, R. I.	Riordan	

ANSWERED "PRESENT"—3.

Bennet	Cary	Miller, Del.
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NOT VOTING—37.

Ayres	Frear	Johnson, S. Dak.	Pou
Beakes	Garrett	Lenroot	Scully
Campbell	Glass	Lever	Shouse
Chapfield	Gray, Ind.	Liebel	Sutherland
Clark, Fla.	Hart	Loft	Ward
Davenport	Henry	Montague	Whaley
Dent	Hill	Moon	Williams, Ohio
Driscoll	Hinds	Mooney	
Fairchild	Hollingsworth	Patten	
Foster	Humphrey, Wash.	Platt	

So, two-thirds having voted in favor thereof, the bill was passed, the objections of the President of the United States to the contrary notwithstanding.

The following pairs were announced:

On this vote:

Mr. JOHNSON of South Dakota and Mr. HINDS (for passage over veto) with Mr. MILLER of Delaware (against).

Mr. AYRES and Mr. HART (for passage over veto) with Mr. BEAKES (against).

Mr. MOONEY and Mr. SUTHERLAND (for passage over veto) with Mr. LIEBEL (against).

Mr. CHIPERFIELD and Mr. FOSTER (for passage over veto) with Mr. PATTEN (against).

Mr. MONTAGUE and Mr. DENT (for passage over veto) with Mr. CARY (against).

Mr. CAMPBELL and Mr. LENROOT (for passage over veto) with Mr. BENNET (against).

Mr. FREAR and Mr. HILL (for passage over veto) with Mr. LOFT (against).

Mr. HENRY and Mr. GARRETT (for passage over veto) with Mr. SCULLY (against).

Mr. POU and Mr. LEVER (for passage over veto) with Mr. WARD (against).

Mr. GLASS and Mr. SHOUSE (for passage over veto) with Mr. WHALEY (against).

Mr. GRAY of Indiana and Mr. CLARK of Florida (for passage over veto) with Mr. FAIRCHILD (against).

Mr. BENNET. Mr. Speaker, I find that the gentleman from KANSAS, Mr. CAMPBELL, and the gentleman from Wisconsin, Mr. LENROOT, on the Rules Committee, with whom I am paired, have not reached the city in time to vote upon this bill. I therefore, regretfully, withdraw my vote in the negative and answer "present."

The result of the vote was then announced as above recorded.

ADJOURNMENT.

And then, on motion of Mr. KITCHIN (at 8 o'clock and 2 minutes p. m.), the House adjourned until to-morrow, Friday, February 2, 1917, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of Rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1. A letter from the Secretary of the Treasury, transmitting copy of a communication from the Commissioner of Internal Revenue, submitting a supplemental and additional estimate of appropriation to be available March 1, 1917, increasing the compensation of the head of the miscellaneous division, Office of Commissioner of Internal Revenue (H. Doc. No. 2004); to the Committee on Appropriations and ordered to be printed.

2. A letter from the president of the Chesapeake & Potomac Telephone Co., transmitting a report of the Chesapeake & Potomac Telephone Co. to the Congress of the United States for the year 1916 (H. Doc. No. 1931, pt. 2); to the Committee on the District of Columbia and ordered to be printed.

3. A letter from the president of the East Washington Heights Traction Railroad Co., transmitting report of the East Washington Heights Traction Railroad Co. for the year ending December 31, 1916 (H. Doc. No. 2005); to the Committee on the District of Columbia and ordered to be printed.

4. A letter from the president of the Washington Railway & Electric Co., transmitting report of the City & Suburban Railway of Washington for the year ended December 31, 1916 (H. Doc. No. 2006); to the Committee on the District of Columbia and ordered to be printed.

5. A letter from the president of the Washington Railway & Electric Co., transmitting report of the Washington Railway & Electric Co. for the year ended December 31, 1917 (H. Doc. No. 2007); to the Committee on the District of Columbia and ordered to be printed.

6. A letter from the president of the Washington Gas Light Co., transmitting a detailed statement of the business of the Washington Gas Light Co., with a list of its stockholders, for the year ending December 31, 1916 (H. Doc. No. 2008); to the Committee on the District of Columbia and ordered to be printed.

7. A letter from the president of the Capital Traction Co., transmitting report of the Capital Traction Co. for the year ending December 31, 1916 (H. Doc. No. 2009); to the Committee on the District of Columbia and ordered to be printed.

8. A letter from the president of the Georgetown Gas Light Co., transmitting a detailed statement of the business of the Georgetown Gas Light Co., together with a list of stockholders for the year ending December 31, 1916 (H. Doc. No. 2010); to the Committee on the District of Columbia and ordered to be printed.

9. A letter from the president of the Potomac Electric Power Co., transmitting a report of the Potomac Electric Power Co., for the year ending December 31, 1916 (H. Doc. No. 2011); to the Committee on the District of Columbia and ordered to be printed.

10. A letter from the president of the Washington Railway & Electric Power Co., transmitting a report of the Washington Interurban Railroad Co. for the year ended December 31, 1916 (H. Doc. No. 2012); to the Committee on the District of Columbia and ordered to be printed.

11. A letter from the president of the Washington Railway & Electric Co., transmitting a report of the Georgetown & Tenallytown Railway Co. for the year ended December 31, 1916 (H. Doc. No. 2013); to the Committee on the District of Columbia and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII, bills and resolutions were severally reported from committees, delivered to the Clerk, and referred to the several calendars therein named, as follows:

Mr. SINNOTT, from the Committee on the Public Lands, to which was referred the bill (H. R. 7632) to provide for a homestead entry on water-power sites, reported the same without amendment, accompanied by a report (No. 1398), which said bill and report were referred to the Committee of the Whole House on the state of the Union.

Mr. HAYDEN, from the Committee on Indian Affairs, to which was referred the bill (H. R. 15733) to authorize the advancement of funds to survey, construct, and maintain roads, trails, and bridges within Indian reservations, reported the same with amendment, accompanied by a report (No. 1399), which said bill and report were referred to the Committee of the Whole House on the state of the Union.

Mr. FERRIS, from the Committee on the Public Lands, to which was referred the bill (H. R. 14620) to extend the provisions of section 2455 of the Revised Statutes of the United States, as amended, relating to the sale of isolated tracts of the public domain, to ceded Chippewa Indian lands in the State of Minnesota, reported the same with amendment, accompanied by a report (No. 1400), which said bill and report were referred to the Committee of the Whole House on the state of the Union.

He also, from the same committee, to which was referred the bill (H. R. 19731) to validate certain public-land entries, reported the same with amendment, accompanied by a report (No. 1401), which said bill and report were referred to the Committee of the Whole House on the state of the Union.

Mr. GRAHAM, from the Committee on the Judiciary, to which was referred the bill (H. R. 16212) to confer jurisdiction on the Court of Claims, reported the same without amendment, accompanied by a report (No. 1403), which said bill and report were referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII, private bills and resolutions were severally reported from committees, delivered to the Clerk, and referred to the Committee of the Whole House, as follows:

Mr. TIMBERLAKE, from the Committee on the Public Lands, to which was referred the bill (H. R. 20037) for the relief of Guy A. Richards, Jesse L. Robbins, Isaac M. C. Grimes, William L. Irvine, and David Cox, reported the same with amendment, accompanied by a report (No. 1397), which said bill and report were referred to the Private Calendar.

Mr. EDMONDS, from the Committee on Claims, to which was referred the bill (H. R. 4602) for the relief of George T. Larkin, reported the same without amendment, accompanied by a report (No. 1402), which said bill and report were referred to the Private Calendar.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. RANDALL: A bill (H. R. 20686) to amend the postal laws; to the Committee on the Post Office and Post Roads.

Also, a bill (H. R. 20687) to amend the postal laws; to the Committee on the Post Office and Post Roads.

By Mr. ADAIR (by request): A bill (H. R. 20688) to amend an act entitled "State or Territorial homes pensions of inmates (collection)," act of March 4, 1911 (25 Stat. L., 450); to the Committee on Invalid Pensions.

By Mr. FERRIS: A bill (H. R. 20689) providing for qualifications of special examiner in the Bureau of Indian Affairs; to the Committee on Indian Affairs.

Also, a bill (H. R. 20690) providing for judicial practice in the Bureau of Indian Affairs; to the Committee on Indian Affairs.

By Mr. HAYDEN: A bill (H. R. 20691) providing for an additional judge for the district of Arizona; to the Committee on the Judiciary.

By Mr. SPARKMAN: A bill (H. R. 20692) to create an additional judge in the southern district of Florida; to the Committee on the Judiciary.

By Mr. MILLER of Minnesota: A bill (H. R. 20713) authorizing the city of Bemidji, Minn., to construct a bridge across the Mississippi River at or near that place; to the Committee on Interstate and Foreign Commerce.

By Mr. MURRAY: Joint resolution (H. J. Res. 363) proposing an amendment to the Constitution of the United States, defining suffrage and establishing a cumulative system or an equitable electorate; to the Committee on the Judiciary.

PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BENEDICT: A bill (H. R. 20693) granting a pension to William Barth; to the Committee on Pensions.

By Mr. BOOHER: A bill (H. R. 20694) granting an increase of pension to Armilda Hays; to the Committee on Invalid Pensions.

By Mr. DOOLITTLE: A bill (H. R. 20695) granting an increase of pension to Louis Auguste Zurcher; to the Committee on Invalid Pensions.

By Mr. GRAY of Indiana: A bill (H. R. 20696) granting an increase of pension to George P. Beach; to the Committee on Invalid Pensions.

Also, a bill (H. R. 20697) granting an increase of pension to Samuel P. Walker; to the Committee on Invalid Pensions.

By Mr. GREEN of Iowa: A bill (H. R. 20698) granting an increase of pension to John Sanders; to the Committee on Invalid Pensions.

By Mr. GUERNSEY: A bill (H. R. 20699) granting an increase of pension to Cyrus H. Allen; to the Committee on Invalid Pensions.

By Mr. KAHN: A bill (H. R. 20700) granting an increase of pension to Leonard F. Van Inwagen; to the Committee on Invalid Pensions.

By Mr. KENNEDY of Rhode Island: A bill (H. R. 20701) granting a pension to Louis M. Rheame; to the Committee on Pensions.

By Mr. McFADDEN: A bill (H. R. 20702) granting an increase of pension to Capt. Henry H. Crane; to the Committee on Invalid Pensions.

By Mr. McLAUGHLIN: A bill (H. R. 20703) granting an increase of pension to Johanna E. Waalkes; to the Committee on Pensions.

By Mr. MOON: A bill (H. R. 20704) granting an increase of pension to George W. Swafford; to the Committee on Invalid Pensions.

By Mr. OVERMYER: A bill (H. R. 20705) granting an increase of pension to Capt. Henry H. Crane; to the Committee on Invalid Pensions.

Also, a bill (H. R. 20706) for the relief of Benjamin F. Church; to the Committee on Military Affairs.

By Mr. PRATT: A bill (H. R. 20707) granting an increase of pension to Emmet Ellis; to the Committee on Invalid Pensions.

Also, a bill (H. R. 20708) granting an increase of pension to George R. White; to the Committee on Invalid Pensions.

By Mr. RANDALL: A bill (H. R. 20709) to remove the charge of desertion from the record of Charles R. Stevens; to the Committee on Military Affairs.

By Mr. SULLOWAY: A bill (H. R. 20710) granting a pension to Walter E. Ellis; to the Committee on Invalid Pensions.

By Mr. SUTHERLAND: A bill (H. R. 20711) granting a pension to Hiram Metcalf; to the Committee on Invalid Pensions.

By Mr. SWEET: A bill (H. R. 20712) granting an increase of pension to Alvin Eck; to the Committee on Invalid Pensions.

By Mr. HULBERT: A bill (H. R. 20714) granting a pension to Mary Slater; to the Committee on Pensions.

By Mr. SPARKMAN: A bill (H. R. 20715) granting an increase of pension to Rebecca Morris; to the Committee on Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

By Mr. BAILEY: Petition of H. E. Peters, W. H. S. Bahn, C. B. Williams, W. W. Weaver, A. L. Peters, C. J. Leasure, H. D. Colby, Guy R. Naugle, J. J. Smetzer, G. L. Nonemaker, R. C. Haulman, W. B. Horton, E. J. Norton, J. L. Masemore, E. J. Fox, A. G. Nonemaker, B. F. Barr, G. P. Wagner, E. G. Orr, J. H. Grey, Thomas E. Kearns, Samuel H. Smith, C. S. Buck, J. G. Shiro, W. H. Bender, C. E. Keiper, Robert C. Malone, George A. Long, John Lingenfelter, R. H. Lincoln, C. O. Anderson, C. C. Myers, A. P. Merritts, William Deffenbaugh, J. T. Vanzandt, S. E. Filler, C. F. Kauffman, C. C. Cloines, W. J. Dillon, W. C. Leonard, C. W. Sayers, E. W. Border, H. E. Specht, D. L. Snyder, C. S. Ammerman, William Kelly, W. S. Bennett, E. E. Kirby, William Brown, J. W. Smiley, W. W. Grove, R. McCauley, John Gunnett, G. W. Moore, George Emerick, S. T. Moffitt, G. F. Snyder, W. B. Goodman, W. M. Sellers, Joseph Settle, A. H. Meckley, W. E. Shafer, I. M. Heck, D. R. Donnelly, L. F. Bramen, Frank Snider, A. P. Fields, W. R. Reed, F. M. Anderson, M. Gantz, H. B. Curry, J. F. Freed, F. G. Keyser, J. E. Wilkins, and C. Webb, all of Altoona; G. F. Smouse, D. F. Bardell, and G. A. Madden, of Hollidaysburg; William Bowen, F. R. Bowen, and S. A. Eckenrod, all of Johnstown; J. A. Phillips, of Greensburg; D. G. Pahel, of Conemaugh; and H. J. Harencome, of Bellwood, all in the State of Pennsylvania, for the passage of an act placing an embargo on the shipment of foodstuffs abroad; to the Committee on Interstate and Foreign Commerce.

By Mr. BRUCKNER: Petition of Samuel Cupples Envelope Co., favoring passage of bill to increase prices for certain supplies in connection with paper business; to the Committee on the Post Office and Post Roads.

Also, petition of New York Produce Exchange, against literacy test in the immigration bill; to the Committee on Immigration and Naturalization.

Also, memorial of United Leather Workers of the World, Central Committee, against militarism; to the Committee on Military Affairs.

Also, petition of Herbert L. Burgess, of New York City, against imposing tax on profits exceeding 8 per cent; to the Committee on Ways and Means.

Also, petition of Brotherhood of Railroad Signalmen, against passage of the Randall mail-exclusion bill; to the Committee on the Post Office and Post Roads.

Also, petition of National Educators' Conservation Society, New York City, against passage of the Shields-Adamson and the Ferris-Myers water-power bills; to the Committee on Interstate and Foreign Commerce.

Also, petitions of William C. and A. Edward Lester and others, of New York, favoring passage of House bill 20080, migratory-bird treaty act; to the Committee on Foreign Affairs.

By Mr. CARY: Petitions of Carl & Walter Mueller, H. Sentz, Joseph B. Doe, and F. P. Mann, of Milwaukee, and Game Protective Association of Stevens Point, Wis., favoring passage of bills for protection of migratory birds; to the Committee on Foreign Affairs.

Also, petition signed by Frank Bauer and 3,000 other citizens of Milwaukee, Wis., protesting against passage of House bills 1785 and 18986, Senate bills 4429 and 1082, and House joint resolution 84; to the Committee on the Post Office and Post Roads.

Also, petition of Edwin Zedler, C. I. Foster, H. L. Foster, J. Edgar Roberstein, J. W. Foster, and William Hass, all of Milwaukee, Wis., urging passage of Senator CHAMBERLAIN's bill for universal military training and service; to the Committee on Military Affairs.

Also, petition by William Hass, J. Edgar Roberttun, J. W. Foster, C. F. Foster, H. L. Foster, John D. Barnes, and Edwin Zedler, all of Milwaukee, Wis., urging passage of Flood migratory-bird bill; to the Committee on Foreign Affairs.

By Mr. CHARLES: Petition of sundry citizens of thirtieth New York district, favoring national prohibition; to the Committee on the Judiciary.

By Mr. COOPER of West Virginia: Petition of 160 railroad employees, urging the passage of a proper eight-hour law; to the Committee on Interstate and Foreign Commerce.

By Mr. DALE of New York: Petition of the Associated Charities of Minneapolis, Minn., favoring passage of bill to establish

a probation system in connection with the Federal courts; to the Committee on the Judiciary.

Also, petition of Goodwin Car Co., of New York, favoring amendment to House bill 8234, section 5; to the Committee on Labor.

Also, petitions of Donald Campbell and other citizens of the State of New York, favoring passage of House bill 20080, "migratory-bird treaty act"; to the Committee on Foreign Affairs.

Also, memorial of National Grange, Patrons of Husbandry, favoring passage of the Borland resolution for an investigation of the Beef Trust; to the Committee on Agriculture.

Also, petition of Adolph Lewisohn, against passage of the immigration bill with literacy test; to the Committee on Immigration and Naturalization.

By Mr. DALLINGER: Memorial of Americans of Lithuanian birth, relative to appointment of a consul to be stationed in Lithuania, who can speak Lithuanian; to the Committee on Foreign Affairs.

By Mr. DOREMUS: Petition of Arthur Hathaway and sundry other citizens of Detroit, Mich., asking for discontinuance of the present target range in the city of Detroit, Mich.; to the Committee on Military Affairs.

By Mr. EAGAN: Petition of R. H. Sweet and sundry citizens of the State of New Jersey, favoring passage of House bill 20080, for protection of migratory birds; to the Committee on Foreign Affairs.

By Mr. FULLER: Petition of Stewart-Warner Speedometer Co., of Chicago, Ill., opposing the proposed 8 per cent tax on profits; to the Committee on Ways and Means.

Also, petition of C. M. Parker, of Lincoln, Nebr., favoring passage of House bill 14428, to increase pensions of maimed soldiers of the Civil War; to the Committee on Invalid Pensions.

Also, petition of National Farmers' Union, favoring the Burnett immigration bill; to the Committee on Immigration and Naturalization.

Also, petition of Dr. Aline Bradley, of Fairbanks, Alaska, favoring prohibition of the liquor traffic in Alaska; to the Committee on the Territories.

By Mr. GALLIVAN: Petitions of sundry citizens of Boston, Mass., against passage of the Randall mail-exclusion bill, etc.; to the Committee on the Post Office and Post Roads.

By Mr. GRIEST: Memorial of J. W. Eckenrode & Son, of Lancaster, Pa., against proposed increased taxes on mutual life insurance companies; to the Committee on Ways and Means.

By Mr. HAMLIN: Papers to accompany House bill 20583, to increase pension of Nancy C. Mays; to the Committee on Invalid Pensions.

By Mr. HAYES: Petition of voters of Santa Cruz and King City, Cal., against mail exclusion and prohibition bill; to the Committee on the Post Office and Post Roads.

By Mr. KONOP: Petition of Sam Green et al., of Seymour, Wis., asking for investigation of sisal industry and price of twine; to the Committee on Agriculture.

By Mr. LINTHICUM: Petitions of Sarah W. Weaver and other citizens of Maryland, favoring passage of House bill 20080, relative to migratory-bird protection; to the Committee on Foreign Affairs.

Also, petitions of Charles R. Minn and Samuel H. Albert, of Baltimore, Md., against passage of the Randall mail-exclusion bill; to the Committee on the Post Office and Post Roads.

Also, petitions of Heineman Bros. and Schloss Bros. & Co., of Baltimore, Md., favoring appropriation for Government seed-breeding station at Greenville, Tex.; to the Committee on Agriculture.

By Mr. MEEKER: Petition of Carpenters' District Council of St. Louis, Mo., favoring appropriation for the Naturalization Bureau; to the Committee on Appropriations.

By Mr. MOON: Papers to accompany House bill 20704, for the relief of George W. Swafford; to the Committee on Invalid Pensions.

By Mr. MORIN: Petition of Mr. William Sumner Appleton, of Boston, Mass.; Miss Mary O. Darlington, of Sharpsburg, Pa.; and Mr. A. H. Robinson, of Pittsburgh, Pa., in support of the migratory-bird treaty bill; to the Committee on Foreign Affairs.

By Mr. POWERS: Petitions of Pentecostal Church, London; Epworth League, London; Young Men of Baptist Church, London; Baptist Sunday School of Livingston; Presbyterian Church and Sunday School of Livingston, all in the State of Kentucky, favoring national constitutional prohibition amendment; to the Committee on the Judiciary.

By Mr. PRATT: Petition of H. M. Champlin, Bank of Hammondsport, and sundry other business men and business firms of Hammondsport, N. Y., urging a referendum amendment to the District appropriation bill; to the Committee on the District of Columbia.

Also, petition of Baptist Church of Snyder Hill, Tompkins County, N. Y., Rev. L. Rowe Williams, pastor, favoring national prohibition; to the Committee on the Judiciary.

Also, petition of Women's Christian Temperance Union of West Groton, N. Y., Mrs. Lorena Bossard, president, favoring national prohibition; to the Committee on the Judiciary.

Also, petition of Ladies' Aid Society, Snyder Hill, Tompkins County, N. Y., Mrs. S. P. Willsey, president, favoring national prohibition; to the Committee on the Judiciary.

By Mr. RANDALL: Memorial of Los Angeles (Cal.) Chamber of Commerce, favoring adequate protection of navigation on the Pacific Ocean; to the Committee on Appropriations.

By Mr. REILLY: Memorial of Presbyterian Congregation of Omro, Wis., favoring bills prohibiting polygamy, etc.; to the Committee on the Judiciary.

By Mr. ROWE: Petitions of sundry citizens and business people of New York City, against passage of the Federal emergency-revenue measure in its present form; to the Committee on Ways and Means.

Also, petition of New York Produce Exchange, against literacy test in the immigration bill; to the Committee on Immigration and Naturalization.

By Mr. STEENERSON: Memorial of Tri-County Farmers' Club, of Ulen, Minn., protesting against proposed embargo on foodstuffs and farm products; to the Committee on Interstate and Foreign Commerce.

By Mr. WARD: Petition of W. L. Comstock and others, of Hensonville, Big Hollow, and East Jewett, N. Y., favoring submission of a prohibition amendment to the Constitution of the United States to the States for their action; to the Committee on the Judiciary.

SENATE.

FRIDAY, February 2, 1917.

The Senate met at 11 o'clock a. m.

The Chaplain, Rev. Forrest J. Prettyman, D. D., offered the following prayer:

Almighty God, the God of the nations of all the earth, we come to invoke Thy blessing upon us at this critical hour of our Nation's history. We pray that as Thou hast led us forth into a large place and established us in our national life upon the great principles of justice and righteousness Thou wilt still lead us on. If Thou dost bring us to the point of testing the devotion of the heart of the Nation to the great changeless principles of righteousness, we pray that we may be found true, and that in every trial we may be willing to make such sacrifice as may be necessary to maintain that for which our Nation has been brought into existence. Guide us this day by the light of Thy Divine counsel. Bless those who are in places of great responsibility in this hour, and may the spirit of God rule over us and protect us from every evil way, and lead us in the paths of righteousness. For Christ's sake. Amen.

The Journal of the proceedings of the legislative day of Wednesday, January 31, 1917, was read and approved.

REPORT OF CAPITAL TRACTION CO. (H. DOC. NO. 2009).

The VICE PRESIDENT laid before the Senate the annual report of the Capital Traction Co. for the year ended December 31, 1916, which was referred to the Committee on the District of Columbia and ordered to be printed.

CITY & SUBURBAN RAILWAY (H. DOC. NO. 2006).

The VICE PRESIDENT laid before the Senate the annual report of the City & Suburban Railway of Washington, D. C., for the year ended December 31, 1916, which was referred to the Committee on the District of Columbia and ordered to be printed.

WASHINGTON RAILWAY & ELECTRIC CO. (H. DOC. NO. 2007).

The VICE PRESIDENT laid before the Senate the annual report of the Washington Railway & Electric Co. for the year ended December 31, 1916, which was referred to the Committee on the District of Columbia and ordered to be printed.

WASHINGTON INTERURBAN RAILWAY CO. (H. DOC. NO. 2012).

The VICE PRESIDENT laid before the Senate the annual report of the Washington Interurban Railway Co. for the year

ended December 31, 1916, which was referred to the Committee on the District of Columbia and ordered to be printed.

GEORGETOWN & TENNALLYTOWN RAILWAY CO. (H. DOC. NO. 2013).

The VICE PRESIDENT laid before the Senate the annual report of the Georgetown & Tennallytown Railway Co. for the year ended December 31, 1916, which was referred to the Committee on the District of Columbia and ordered to be printed.

WASHINGTON & OLD DOMINION RAILWAY (H. DOC. NO. 2016).

The VICE PRESIDENT laid before the Senate the annual report of the Washington & Old Dominion Railway for the year ended December 31, 1916, which was referred to the Committee on the District of Columbia and ordered to be printed.

GEORGETOWN GAS LIGHT CO. (H. DOC. NO. 2010).

The VICE PRESIDENT laid before the Senate the annual report of the Georgetown Gas Light Co. for the year ended December 31, 1916, which was referred to the Committee on the District of Columbia and ordered to be printed.

CHESAPEAKE & POTOMAC TELEPHONE CO. (H. DOC. NO. 1931, PT. 2).

The VICE PRESIDENT laid before the Senate the annual report of the Chesapeake & Potomac Telephone Co. for the year ended December 31, 1916, to be substituted for the report submitted to the Senate on January 11, 1917, in which the results of the operations of the company for the month of December 31, 1916, were estimated, which was referred to the Committee on the District of Columbia and ordered to be printed.

POTOMAC ELECTRIC POWER CO. (H. DOC. NO. 2011).

The VICE PRESIDENT laid before the Senate the annual report of the Potomac Electric Power Co. for the year ended December 31, 1916, which was referred to the Committee on the District of Columbia and ordered to be printed.

MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by D. K. Hempstead, its enrolling clerk, announced that the House had passed the joint resolution (S. J. Res. 203) to provide for the maintenance of public order and the protection of life and property in connection with the presidential inaugural ceremonies in 1917, with amendments, in which it requested the concurrence of the Senate.

The message also announced that the House had passed the following bill and joint resolution, in which it requested the concurrence of the Senate:

H. R. 20573. An act to provide increased revenue to defray the expenses of the increased appropriations for the Army and Navy and the extensions of fortifications, and for other purposes; and H. J. Res. 358. Joint resolution authorizing the granting of permits to the committee on inaugural ceremonies on the occasion of the inauguration of the President elect in March, 1917, etc.

SENATOR FROM RHODE ISLAND.

The VICE PRESIDENT. The Chair lays before the Senate the credentials of PETER GOELET GERRY, Senator elect from the State of Rhode Island, which will be inserted in the Record, and placed on the files of the Senate.

The credentials are as follows:

By his excellency, R. Livingston Beekman, governor, captain general, and commander in chief of the State of Rhode Island and Providence Plantations.

To the PRESIDENT OF THE SENATE OF THE UNITED STATES:

This is to certify that on the 7th day of November, 1916, PETER GOELET GERRY was duly chosen by the qualified electors of the State of Rhode Island and Providence Plantations a Senator from said State, to represent said State in the Senate of the United States for the term of six years, beginning on the 4th day of March, 1917.

Witness: His excellency our governor, R. Livingston Beekman, and our seal hereto affixed at Providence this 15th day of January, in the year of our Lord 1917.

By his excellency the governor:

[SEAL.]

R. LIVINGSTON BEECKMAN,
J. FRED PARKER,
Secretary of State.

PETITIONS AND MEMORIALS.

Mr. ROBINSON. I present a petition from certain settlers upon the so-called Golden Lake area of alleged public lands in the State of Arkansas relating to controversies pending before the Commissioner of the General Land Office. I ask that this petition and the name of one of the petitioners be printed in the Record, together with a letter in response to the petition from the Commissioner of the General Land Office addressed to myself, explaining the situation of the controversy.